



**MCB-ARIF HABIB**  
Savings and Investments Limited

# ANNUAL REPORT 2021

Funds Under Management of  
MCB-Arif Habib Savings and Investments Limited



# **ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Digital Custodian Company Limited</b> (Formerly MCB Financial Services Limited) 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co	
<b>Bankers</b>	MCB Bank Limited Dubai Islamic Bank Limited	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi Sindh-75530 Pakistan.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

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**Dear Investor,**

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Active Allocation Plan II** accounts review for the fiscal year ended **June 30, 2021**.

## **Economy and Money Market Review**

Fiscal year 2021 has proven to be a positive year with respect to economic performance. Country registered a GDP growth rate of 3.94 per cent outpacing the original target of 2.1 per cent for the outgoing fiscal year. This better than expected recovery has been due to relatively lower and stable interest rates, supportive financing schemes from SBP, amnesty scheme to encourage construction sector, resumption in demand and strong inflow of remittances supporting the overall consumption growth.

The growth momentum remained strong throughout the year as reflected in the performance of various sectors. Cement sector saw an impressive comeback in local dispatches as they witnessed a growth of about 20 per cent over last year in FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of approx. 39 per cent over last year in FY21 reflecting the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 12 per cent and 16 per cent respectively over last year indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 14.6 per cent in first eleven months of the current fiscal year led by the cyclical sectors.

On the external front, the country posted a current account deficit of USD 1.8 billion (-0.6 per cent of GDP) in the fiscal year 2021, a 58 per cent improvement when compared with last year deficit of USD 4.4 billion (-1.7 per cent of GDP). Despite a USD 30 billion deficit (about 23 per cent higher this year) on balance on trade in goods and services, current account deficit remained marginally negative due to strong inflow of workers' remittances. Remittances jumped to USD 29.4 billion, up by 27 per cent when compared with USD 23.1 billion a year back.

Inflation remained the chink in the armor for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.9 per cent over last year, with food inflation averaging about 13 per cent during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.4 per cent for the period. Monetary Policy Committee maintained status quo throughout the year after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19 as well as comfort drawn from better external position.

As the economy started to open up, tax collection also improved and grew by about 18 per cent during the fiscal year which exceeded the revised target by PKR 30 billion. Fiscal deficit for the first nine months of the period clocked in at 3.6 per cent of GDP, compared to 3.8 per cent of GDP last year. Primary balance was even better at a surplus of 1.0 per cent of GDP compared to last year surplus of 0.4 per cent of GDP.

Yield curve started to slope upward after inflation trajectory was observed to be on the rising trend. 3, 5 and 10 Year bonds saw a rise of 146 bps, 138 bps and 125 bps respectively during the period.

## **Equity Market Review**

KSE-100 Index posted a 38 per cent return for FY21, gaining 12,934 points to end the year at 47,356 points. This was the highest yearly return since FY14, when index achieved 41 per cent return during the year. Market's resilience during the year was tested by re-emergence of covid wave II (October

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

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2020) and III (February 2021), political unrest caused by opposition rallies and senate election. However, stronger than expected economic recovery and central bank's initiatives (TERF, RDA and mandatory housing financing by banks) kept the positive momentum of the market intact.

Major positive contributors to the index remained Technology (385 per cent), Banks (36 per cent) and Cements (77 per cent) whereas despite 83 per cent jump in crude oil prices, index heavy E&Ps remained a laggard with 11 per cent return. Market remained fairly liquid through the year with average daily traded volume jumped by 169 per cent to 528 million shares compared to 196 million shares changing hands in FY20. Whereas average value traded also jumped by 163 per cent YoY to USD 120 million compared to USD 46 million a year back.

Foreign investors continued their selling spree in FY21 as well with net selling of USD 387 million compared to USD 285 million a year back. Whereas most of this selling was countered by individuals and companies with net buying of USD 332 million and USD 138 million, respectively.

### FUND PERFORMANCE

During the period under review, the fund posted a return of 7.49 per cent against 5.24 per cent for the benchmark.

### Economy & Market – Future Outlook

Growth momentum is likely to continue in the coming year given the accommodative monetary and fiscal policies. Broader economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc. We expect GDP growth to improve further in FY-22 but likely remain slightly lower from government target of 4.8 per cent for FY-22. The recent surge in commodity prices poses challenges to both to Fiscal and External Accounts. On the fiscal side, targets for revenue and development expenditures are highly unlikely to be met.

With imports resuming momentum, Current Account Deficit is expected to reach near 2.8 per cent of GDP which is likely to weaken the exchange rate to near 170 against USD by year end. Commodity prices and weaker currency are also likely to keep average inflation persistent and it may remain near 8.5 per cent. We therefore expect tightening of monetary policy later in the year and expect interest to reach up to 9 per cent by the year end.

IMF program appears to remain on hold as government chooses to further pro-growth measures over austerity based conventional IMF reforms. Focus on growing exports and stimulate domestic demand through investment in construction and housing are the hallmarks of government pro-growth strategy. Enabling environment including stable interest rates, low cost financing schemes for housing and machinery imports and avoiding further increase in power tariffs are the key initiatives in this regard. Public Sector entities and in particular energy sector still remains a thorny issue in IMF talks and continue to remain a major challenge for the government despite recent steps taken to lessen the burden on public finances. A sharp deterioration in balance of payment account may force government to succumb to IMF policy framework and thus alter the economic growth trajectory.

From capital market perspective, particularly equities, markets are watchful of the 4<sup>th</sup> wave of Covid cases which do pose risks in the near term. As growth momentum continues, equities have potential to provide decent returns to investors. Risk premiums vis a vis 10-year bonds is right now at 3.6 per cent, compared to historical average of 1.3 per cent suggesting some upside due to re-rating would be possible. Earnings growth will be a key driver for the next few years. We therefore expect stronger

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

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returns from equity market to continue. Recent announcement about reclassification of PSX from MSCI Emerging Market Index to MSCI Frontier Market Index is to remain marginally positive thus local investors are likely to drive the market momentum.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

### **Mutual Fund Industry Review**

The Net Assets of the open end mutual fund industry increased by about 37.2 per cent to PKR 1,018 billion in this fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 48 per cent during the period to PKR 467 billion. Within the money market sphere, the conventional funds dominated as they grew by about 39 per cent to PKR 285 billion. Equity and related funds surged rapidly by 33 per cent from PKR 224 billion to PKR 299 billion over the year. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up approx. 38 per cent YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 46 per cent, followed by Equity and Equity related funds with a share of 30 per cent and Income funds having a share of 24 per cent as at the end of the fiscal year.

### **Mutual Fund Industry Outlook**

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

### **Corporate Governance**

The Fund is committed to implement the highest standards of corporate governance. With four (4) Non-Executive Directors, three (3) Independent Directors and one (1) Executive Director on the Board, as governing body of the Management Company, the Board is accountable to the unit holders for good corporate governance.

The Board consists of 1 female and 7 male directors. The details are as under:

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Nasim Beg	Non-Executive Director	(i) Audit Committee; and (ii) HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	(i) Audit Committee; and (ii) HR&R* Committee.
4.	Mr. Kashif A. Habib	Non-Executive Director	(i) Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	(i) Audit Committee (ii) HR&R* Committee
6.	Mirza Qamar Beg	Independent Director	(i) Audit Committee (Chairman); and (ii) HR&R* Committee (Chairman).
7.	Ms. Mavra Adil Khan	Independent Director	(i) HR&R* Committee
8.	Mr. Muhammad Saqib Saleem	Executive Director	(i) HR&R* Committee

\* HR&R stands for Human Resource and Remuneration

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

The Board of Directors is pleased to report that:

- a. Financial statements present fairly its state of affairs, the results of operations, cash flows and changes in equity.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- f. There are no doubts what so ever upon the Fund's ability to continue as going concern.
- g. There has been no material departure from the best practices of Corporate Governance.
- h. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.
- j. As at June 30, 2021, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 20 of the Code.
- k. The detailed pattern of unit holding, as required by NBFC Regulations are enclosed.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

- i. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below is the details of committee meetings held during the year ended June 30, 2021:

### 1. Meeting of the Audit Committee.

During the year, Nine (9) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mirza Qamar Beg(Chairman)	9	9	9	-
2. Mr. Nasim Beg	9	9	9	-
3. Mr. Ahmed Jahangir	9	9	9	-
4. Mr. Kashif A. Habib	9	9	9	-
5. Syed Savail Meekal Hussain	9	9	9	-

### 2. Meeting of the Human Resource and Remuneration Committee.

During the year, four (4) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mirza Qamar Beg (chairman)	4	4	4	-
2. Mr. Ahmed Jahangir	4	4	4	-
3. Mr. Nasim Beg	4	4	4	-
4. Ms. Mavra Adil Khan	4	4	3	1
5. Syed Savail Meekal Hussain	4	4	4	-
6. Mr. Muhammad Saqib Saleem (CEO)	4	4	4	-

- m. The trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1	Nil	Nil	Nil	Nil	Nil

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

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## External Auditors

The fund's external auditors, **Ernst & Young Ford Rhodes Chartered Accountants** have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2022. The audit committee of the Board has recommended reappointment of **Ernst & Young Ford Rhodes Chartered Accountants** as auditors of the fund for the year ending June 30, 2022.

## ACKNOWLEDGMENT

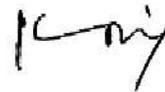
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
September 15, 2021



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**Kashif A. Habib**  
Director

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

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**Dear Investor,**

On behalf of the Board of Directors, I am pleased to present **Alhamra Smart Portfolio** accounts review for the fiscal year ended June 30, 2021.

## **Economy and Money Market Review**

Fiscal year 2021 has proven to be a positive year with respect to economic performance. Country registered a GDP growth rate of 3.94 per cent outpacing the original target of 2.1 per cent for the outgoing fiscal year. This better than expected recovery has been due to relatively lower and stable interest rates, supportive financing schemes from SBP, amnesty scheme to encourage construction sector, resumption in demand and strong inflow of remittances supporting the overall consumption growth.

The growth momentum remained strong throughout the year as reflected in the performance of various sectors. Cement sector saw an impressive comeback in local dispatches as they witnessed a growth of about 20 per cent over last year in FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of Approx. 39 per cent over last year in FY21 reflecting the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 12 per cent and 16 per cent respectively over last year indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 14.6 per cent in first eleven months of the current fiscal year led by the cyclical sectors.

On the external front, the country posted a current account deficit of USD 1.8 billion (-0.6 per cent of GDP) in the fiscal year 2021, a 58 per cent improvement when compared with last year deficit of USD 4.4 billion (-1.7 per cent of GDP). Despite a USD 30 billion deficit (about 23 per cent higher this year) on balance on trade in goods and services, current account deficit remained marginally negative due to strong inflow of workers' remittances. Remittances jumped to USD 29.4 billion, up by 27 per cent when compared with USD 23.1 billion a year back.

Inflation remained the chink in the armor for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.9 per cent over last year, with food inflation averaging about 13 per cent during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.4 per cent for the period. Monetary Policy Committee maintained status quo throughout the year after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19 as well as comfort drawn from better external position.

As the economy started to open up, tax collection also improved and grew by about 18 per cent during the fiscal year which exceeded the revised target by PKR 30 billion. Fiscal deficit for the first nine months of the period clocked in at 3.6 per cent of GDP, compared to 3.8 per cent of GDP last year. Primary balance was even better at a surplus of 1.0 per cent of GDP compared to last year surplus of 0.4 per cent of GDP. Yield curve started to slope upward after inflation trajectory was observed to be on the rising trend. 3, 5 and 10 Year bonds saw a rise of 146 bps, 138 bps and 125 bps respectively during the period.

## **Equity Market Review**

KSE-100 Index posted a 38 per cent return for FY21, gaining 12,934 points to end the year at 47,356 points. This was the highest yearly return since FY14, when index achieved 41 per cent return during the year. Market's resilience during the year was tested by re-emergence of covid wave II (October 2020) and III (February 2021), political unrest caused by opposition rallies and senate election. However, stronger than expected economic recovery and central bank's initiatives (TERF, RDA and mandatory housing financing by banks) kept the positive momentum of the market intact.

Major positive contributors to the index remained Technology (385 per cent), Banks (36 per cent) and Cements (77 per cent) whereas despite 83 per cent jump in crude oil prices, index heavy E&Ps remained a laggard with 11 per cent return. Market remained fairly liquid through the year with average daily traded volume jumped by 169 per cent to 528 million shares compared to 196 million shares changing hands in FY20. Whereas average value traded also jumped by 163 per cent YoY to USD 120 million compared to USD 46 million a year back.

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

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Foreign investors continued their selling spree in FY21 as well with net selling of USD 387 million compared to USD 285 million a year back. Whereas most of this selling was countered by individuals and companies with net buying of USD 332 million and USD 138 million, respectively.

## FUND PERFORMANCE

During the period under review, the fund posted a return of negative 0.12 per cent against negative 0.55 per cent for the benchmark.

The fund was 24.6 per cent invested in Alhamra Islamic Stock Fund and 73.7 per cent invested in Alhamra Islamic Income Fund as at June 30, 2021.

The Net Assets of the Fund as at June 30, 2021 stood at Rs. 123 million. The Net Asset Value (NAV) per unit as at June 30, 2021 was Rs. 99.8771.

SRB through its letter dated August 12, 2021 received on August 13, 2021 by MUFAP, has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. On August 13, 2021 the management in consultation with MUFAP and after concurrence for prospective reversal of provision of SWWF from SECP, reversed the cumulative provision for SWWF recognized in the fund till August 12, 2021. Accordingly, going forward, no provision for SWWF would be recognized in the fund. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future. For further details, refer note 11.1 to the financial statements.

## Economy & Market – Future Outlook

Growth momentum is likely to continue in the coming year given the accommodative monetary and fiscal policies. Broader economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc. We expect GDP growth to improve further in FY-22 but likely remain slightly lower from government target of 4.8 per cent for FY-22. The recent surge in commodity prices poses challenges to both to Fiscal and External Accounts. On the fiscal side, targets for revenue and development expenditures are highly unlikely to be met.

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IMF program appears to remain on hold as government chooses to further pro-growth measures over austerity based conventional IMF reforms. Focus on growing exports and stimulate domestic demand through investment in construction and housing are the hallmarks of government pro-growth strategy. Enabling environment including stable interest rates, low cost financing schemes for housing and machinery imports and avoiding further increase in power tariffs are the key initiatives in this regard. Public Sector entities and in particular energy sector still remains a thorny issue in IMF talks and continue to remain a major challenge for the government despite recent steps taken to lessen the burden on public finances. A sharp deterioration in balance of payment account may force government to succumb to IMF policy framework and thus alter the economic growth trajectory.

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For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

## Mutual Fund Industry Review

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In terms of the segment share, Money Market funds were the leader with a share of around 46 per cent, followed by Equity and Equity related funds with a share of 30 per cent and Income funds having a share of 24 per cent as at the end of the fiscal year.

## Mutual Fund Industry Outlook

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## Corporate Governance

The Fund is committed to implement the highest standards of corporate governance. With four (4) Non-Executive Directors, three (3) Independent Directors and one (1) Executive Director on the Board, as governing body of the Management Company, the Board is accountable to the unit holders for good corporate governance.

The Board consists of 1 female and 7 male directors. The details are as under:

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Nasim Beg	Non-Executive Director	(i) Audit Committee; and (ii) HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	(i) Audit Committee; and (ii) HR&R* Committee.
4.	Mr. Kashif A. Habib	Non-Executive Director	(i) Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	(i) Audit Committee (ii) HR&R* Committee
6.	Mirza Qamar Beg	Independent Director	(i) Audit Committee (Chairman); and (ii) HR&R* Committee (Chairman).
7.	Ms. Mavra Adil Khan	Independent Director	(i) HR&R* Committee
8.	Mr. Muhammad Saqib Saleem	Executive Director	(i) HR&R* Committee

\* HR&R stands for Human Resource and Remuneration

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

The Board of Directors is pleased to report that:

- a. Financial statements present fairly its state of affairs, the results of operations, cash flows and changes in equity.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan , provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- f. There are no doubts what so ever upon the Fund's ability to continue as going concern.
- g. There has been no material departure from the best practices of Corporate Governance.
- h. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.
- j. As at June 30, 2021, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 20 of the Code.
- k. The detailed pattern of unit holding, as required by NBFC Regulations are enclosed.
- l. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below is the details of committee meetings held during the year ended June 30, 2021:

### 1. Meeting of the Audit Committee.

During the year, nine (9) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mirza Qamar Beg(Chairman)	9	9	9	-
2. Mr. Nasim Beg	9	9	9	-
3. Mr. Ahmed Jahangir	9	9	9	-
4. Mr. Kashif A. Habib	9	9	9	-
5. Syed Savail Meekal Hussain	9	9	9	-

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

### 2. Meeting of the Human Resource and Remuneration Committee.

During the year, four (4) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mirza Qamar Beg (chairman)	4	4	4	-
2. Mr. Ahmed Jahangir	4	4	4	-
3. Mr. Nasim Beg	4	4	4	-
4. Ms. Mavra Adil Khan	4	4	3	1
5. Syed Savail Meekal Hussain	4	4	4	-
6. Mr. Muhammad Saqib Saleem (CEO)	4	4	4	-

m. The trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1			Nil	Nil	Nil

### External Auditors

The fund's external auditors, **Ernst & Young Ford Rhodes Chartered Accountants** have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2022. The audit committee of the Board has recommended reappointment of **Ernst & Young Ford Rhodes Chartered Accountants** as auditors of the fund for the year ending June 30, 2022.

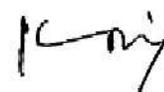
### ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



**Muhammad Saqib Saleem**  
Chief Executive Officer  
September 15, 2021



**Kashif A. Habib**  
Director

## ڈائریکٹرز رپورٹ

m دوران سال مینجمنٹ کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس انٹرنل آفیسر، کمپنی سیکریٹری، اور چیف انٹرنل آڈیٹر اور ان کی اہلیہ/شوہر اور نابالغ بچوں نے فنڈ کے یونٹس میں تجارت کی۔

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
					یونٹس کی تعداد
۱	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں

### خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز Ernst & Young Ford Rhodes چارٹرڈ اکاؤنٹنٹس نے فنڈ کے آڈیٹرز برائے سال مختتمہ 30 جون 2022ء کے طور پر جاری رہنے کی رضامندی کا اظہار کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے Ernst & Young Ford Rhodes چارٹرڈ اکاؤنٹنٹس کی فنڈ کے آڈیٹرز برائے سال مختتمہ 30 جون 2022ء کے طور پر دوبارہ تقرری کی سفارش پیش کی ہے۔

### اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



کاشف اے حبیب  
ڈائریکٹر



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
15 ستمبر 2021ء

## ڈائریکٹرز رپورٹ

- g. کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے؛
- h. واجب الاداء ٹیکس، قانونی چارجز اور ڈیویڈنڈ (محصولات اور چنگی وغیرہ) کو (اگر کوئی ہیں تو) آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے۔
- i. پراویڈنٹ/ گریجویٹس اور پینشن فنڈ کی سرمایہ کاریوں کی قدر کے بیان کا اطلاق فنڈ پر نہیں ہوتا لیکن مینجمنٹ کمپنی پر ہوتا ہے؛ چنانچہ ڈائریکٹرز رپورٹ میں کوئی اظہار نہیں کیا گیا ہے۔
- j. 30 جون 2021ء کو کمپنی، کوڈ کے ریگولیشن نمبر 20 کے مطابق ڈائریکٹرز ٹریڈنگ پروگرام کی شرائط پر عمل پیرا ہے۔
- k. این بی ایف سی ریگولیشنز کے مطابق مطلوب یونٹ ہولڈنگ کا تفصیلی خاکہ منسلک ہے۔
- l. بورڈ آف ڈائریکٹرز میٹنگ کی حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کر دی گئی ہیں۔ سال مختتمہ 30 جون 2021ء کے دوران ہونے والی کمیٹی میٹنگز کی تفصیلات درج ذیل ہیں:
- 1۔ آڈٹ کمیٹی کی میٹنگ
- دوران سال آڈٹ کمیٹی کی نو (9) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ رخصت	حاضری	مطلوبہ حاضری		
-	9	9	9	۲۔ مرزا محمد قمر بیگ (چیئرمین)
-	9	9	9	۳۔ جناب نسیم بیگ
-	9	9	9	۴۔ جناب احمد جہانگیر
-	9	9	9	۵۔ جناب کاشف اے حبیب
-	9	9	9	۶۔ سید ساویل میکان حسین

۲۔ ہیومن ریسورس اینڈ میوزیشن کمیٹی کی میٹنگ

دوران سال ہیومن ریسورس اینڈ میوزیشن کمیٹی کی چار (4) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ رخصت	حاضری	مطلوبہ حاضری		
-	4	4	4	۱۔ جناب مرزا قمر بیگ (چیئرمین)
-	4	4	4	۳۔ جناب احمد جہانگیر
-	4	4	4	۴۔ جناب نسیم بیگ
1	3	4	4	۵۔ محترمہ ماوراء عادل خان
-	4	4	4	۶۔ سید ساویل میکان حسین
-	4	4	4	۷۔ جناب محمد ثاقب سلیم (سی ای او)

## ڈائریکٹرز رپورٹ

### کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیار نافذ کرنے کے لیے پرعزم ہے۔ چار (4) نان ایگزیکٹو ڈائریکٹرز، تین (3) خود مختار ڈائریکٹرز اور ایک (1) ایگزیکٹو ڈائریکٹر پر مشتمل بورڈ، مینجمنٹ کمپنی کی گورننگ باڈی کی حیثیت سے یونٹ حاملین کو عمدہ کارپوریٹ گورننس کے لیے جوابدہ ہے۔ بورڈ میں 1 خاتون اور 7 حضرات ڈائریکٹرز شامل ہیں۔ تفصیلات درج ذیل ہیں:

نمبر شمار	نام	عہدہ	دیگر بورڈ کمیٹیوں میں رکنیت
1.	جناب ہارون راشد	نان ایگزیکٹو ڈائریکٹر	کوئی نہیں
2.	جناب نسیم بیگ	نان ایگزیکٹو ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
3.	جناب احمد جہانگیر	نان ایگزیکٹو ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
4.	جناب کاشف اے حبیب	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	سید ساویل میکان حسین	خود مختار ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
6.	جناب مرزا قمر بیگ	خود مختار ڈائریکٹر	(i) آڈٹ کمیٹی (چیئر مین)؛ اور (ii) ایچ آر اینڈ آر کمیٹی * (چیئر مین)
7.	محترمہ ماوراء عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی *
8.	جناب محمد ثاقب سلیم	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی *

\* ایچ آر اینڈ آر: ہیومن ریسورس اینڈ ریمونڈیشن

مینجمنٹ کوڈ آف کارپوریٹ گورننس میں متعین کردہ بہترین روایات کی دفعات، خصوصاً نان ایگزیکٹو ڈائریکٹرز کی خود مختاری کے حوالے سے، کی تعمیل جاری رکھے ہوئے ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز، جن میں بورڈ آف ڈائریکٹرز اور مینجمنٹ کے کردار اور ذمہ داریوں کو واضح کیا گیا ہے، کے مطابق کاروبار کرنے پر کاربند ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے پالمسرت مطلع کیا جاتا ہے کہ:

a. مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمدورفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

b. کمپنی کی درست بکس آف اکاؤنٹس بنائی گئی ہیں؛

c. مالیاتی گوشواروں کی تیاری میں درست اکاؤنٹنگ پالیسیوں کا باقاعدگی کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں؛

d. مالیاتی گوشواروں کی تیاری میں پاکستان میں حتمی الاطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات، non بینکنگ فائنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز 2003، non بینکنگ فائنانس کمپنیز اینڈ نوٹیفائیڈ اینٹیلیٹیو ریگولیشنز 2008، متعلقہ ٹرسٹ ڈیڈز کی ضروریات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کی گئی ہے؛

e. انٹرنل کنٹرول کا نظام مستحکم خطوط پر استوار اور مؤثر انداز میں نافذ کیا گیا ہے اور اس کی مؤثر نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی کوششیں جاری ہیں؛

f. فنڈ کے کاروبار جاری رکھنے کی صلاحیت میں کسی قسم کے کوئی شبہات نہیں ہیں؛

## ڈائریکٹرز رپورٹ

لیے رقم مہیا کرنے کی کم لاگت اسکیمیں، اور بجلی کی محصولات میں مزید اضافے سے احتراز شامل ہیں۔ پبلک سیکٹر میں رقوم کی فراہمی پر بوجھ میں کمی کے حالیہ حکومتی اقدامات کے باوجود پبلک سیکٹر کے ادارے اور خاص طور پر توانائی کا شعبہ تاحال آئی ایم ایف مذاکرات میں ایک تلخ مسئلہ اور حکومت کے لیے ایک بڑا چیلنج بنا ہوا ہے۔ ادائیگی کے توازن کے اکاؤنٹ میں تیزی سے ہونے والا بگاڑ حکومت کو آئی ایم ایف پالیسی کے ڈھانچے کے سامنے ہتھیار ڈالنے پر مجبور کر سکتا ہے جس کے نتیجے میں معاشی ترقی کی رفتار میں تبدیلی آسکتی ہے۔

کیپیٹل مارکیٹ کے نقطہ نظر سے، خصوصاً ایکویٹیز کے تناظر میں، بازار کو وڈ کی چوتھی لہر کے حوالے سے گہری نظر رکھے ہوئے ہیں جس سے مدت قریب میں خطرات لاحق ہیں۔ ترقی کی رفتار جاری رہنے کے تناظر میں ایکویٹیز سرمایہ کاروں کو اچھا منافع دینے کی استعداد کی حامل ہے۔ دس سالہ بانڈز سے متعلق خطرات کے پرییمیم فی الوقت 3.6 فیصد پر ہیں، اور قدیم اوسط 1.3 فیصد کے ساتھ تقابل سے پتہ چلتا ہے کہ شرح کے دوبارہ تعین کی بدولت کچھ فائدہ ممکن ہے۔ آمدنیوں میں اضافہ اگلے کچھ برسوں کے لیے کلیدی محرک ہوگا۔ چنانچہ ایکویٹی مارکیٹ سے مضبوط تر منافع جات جاری رہنے کی توقع کی جاسکتی ہے۔ حال ہی میں پاکستان اسٹاک ایکسچینج کی درجہ بندی کی ایم ایس سی آئی (مورگن اسٹینلی کیپیٹل انٹرنیشنل) امریکن مارکیٹ انڈیکس سے ایم ایس سی آئی فرنٹینئر مارکیٹ انڈیکس میں تبدیلی سے متعلق اعلان معمولی حد تک مثبت رہے گا، چنانچہ مقامی سرمایہ کار ممکنہ طور پر بازار کی رفتار میں کردار ادا کریں گے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خرم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات اس مالی سال میں تقریباً 37.2 فیصد بڑھ کر 1,018 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 48 فیصد بڑھ کر 467 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 39 فیصد بڑھ کر 285 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سال 33 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 299 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 38 فیصد سال در سال (YoY) ترقی کو قرار دیا جاسکتا ہے۔

شعبہ جاتی حصے کے اعتبار سے مالی سال کے اختتام پر منی مارکیٹ فنڈز تقریباً 46 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 24 فیصد کے حامل تھے۔

### میوچل فنڈ صنعت کے مستقبل کا منظر

سود کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہم امید کرتے ہیں کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورتحال بہتر ہوگی۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی ہے۔ ہمارے آپریٹرز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے۔

### ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج - 100 انڈیکس نے مالی سال 2021ء کے لیے 38 فیصد منافع پوسٹ کیا اور اختتام سال پر 12,934 پوائنٹس کا اضافہ حاصل کر کے 47,356 پوائنٹس پر پہنچ گیا۔ یہ مالی سال 2014ء سے لے کر اب تک کا بلند ترین منافع تھا جب انڈیکس نے دوران سال 41 فیصد منافع حاصل کیا۔ دوران سال کو وڈ کی دوسری لہر (اکتوبر 2020ء) اور تیسری لہر (فروری 2021ء) کے ظہور نو اور حزب اختلاف کی ریلیوں اور سینٹ کے انتخابات کے باعث پیدا ہونے والی سیاسی بد امنی کے باعث بازار کی چلک متاثر ہوئی۔ البتہ متوقع سے مضبوط تر معاشی بحالی اور مرکزی بینک کے اقدامات (TERF، RDA اور بینکوں کی جانب سے گھر کے لیے رقم کی لازمی فراہمی) کی بدولت بازار کی مثبت رفتار جاری رہی۔

انڈیکس میں اہم مثبت کردار ادا کرنے والے شعبے ٹیکنالوجی (385 فیصد)، بینک (36 فیصد) اور سینٹ (77 فیصد) رہے، جبکہ خام تیل کی قیمتوں میں 83 فیصد اضافے کے باوجود دریافت اور پیداوار (ای اینڈ پی) کا شعبہ 11 فیصد منافع کے ساتھ سست روی کا شکار رہا۔ بازار میں نقدیت کی صورتحال سال بھر ٹھیک ٹھاک رہی اور اوسط یومیہ حجم 169 فیصد بڑھ کر 528 ملین حصص ہو گیا جبکہ مالی سال 2020ء میں 196 ملین حصص تھا۔ علاوہ ازیں، تجارت کردہ اوسط قدر بھی 163 فیصد سال در سال (YoY) بڑھ کر 120 ملین ڈالر ہو گئی جو ایک سال قبل 46 ملین ڈالر تھی۔

غیر ملکی سرمایہ کاروں میں فروخت کا جوش مالی سال 2021ء کے دوران بھی برقرار رہا اور 387 ملین ڈالر کی خالص منافع ہوا جبکہ سال گزشتہ 285 ملین ڈالر تھی۔ لیکن اس فروخت کا اکثر حجم افراد اور کمپنیوں کی جانب سے کی گئی فروخت، بالترتیب 332 ملین ڈالر اور 138 ملین ڈالر، کے ذریعے زائل ہو گیا۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 7.49 فیصد منافع حاصل کیا، جبکہ مقررہ معیار کا منافع 5.24 فیصد تھا۔

### معیشت اور بازار - مستقبل کا منظر

سہل مالیاتی پالیسیوں کے سبب آنے والے سال میں ترقی کی رفتار جاری رہنے کا امکان ہے۔ وسیع تر معیشت قبل از کووڈ سطحوں کے قریب چلتی ہوئی نظر آرہی ہے جس کی پیمائش ایل ایس ایم میں ترقی، سینٹ کی فروخت، گاڑیوں کی فروخت وغیرہ سے ہوتی ہے۔ ہم امید کرتے ہیں کہ جی ڈی پی میں مالی سال 2022ء میں مزید ترقی ہوگی لیکن حکومتی ہدف 4.8 فیصد سے کچھ کم رہے گی۔ اشیاء کی قیمتوں میں حالیہ اضافے نے مالیاتی اور خارجی، دونوں اکاؤنٹس کے لیے مشکلات پیدا کی ہیں۔ مالیاتی جہت میں آمدنی اور ترقیاتی اخراجات کے اہداف کا پورا ہونا بہت مشکل ہے۔

درآمدات کی رفتار میں بحالی سے کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 2.8 فیصد پہنچ جانے کی امید ہے جس کے باعث اختتام سال تک زیرمبادلہ کی شرح کمزور ہو کر تقریباً 170 ڈالر ہونے کا امکان ہے۔ اشیاء کی قیمتیں اور کمزور تر روپیہ بھی اوسط افراط زر کو برقرار رکھنے کا سبب بن سکتے ہیں جو تقریباً 8.5 فیصد ہو سکتی ہے۔ چنانچہ دوران سال آگے چل کر مالیاتی پالیسی میں سختی متوقع ہے اور اختتام سال تک سود کے 9 فیصد تک پہنچ جانے کا امکان ہے۔

آئی ایم ایف پروگرام بظاہر تعطل کا شکار ہے کیونکہ حکومت کفایت شعاری پر مبنی روایتی آئی ایم ایف اصلاحات پر ترقی پسندانہ اقدامات میں توسیع کو ترجیح دے رہی ہے۔ تعمیرات اور رہائش کے شعبوں میں سرمایہ کاری کے ذریعے برآمدات میں اضافے اور مقامی طلب کو متحرک کرنے پر توجہ کا ارتکاز حکومت کی ترقی پسندانہ حکمت عملی کے سنگ میل ہیں۔ اس ضمن میں کلیدی اقدامات میں سازگار ماحول بشمول سود کی مستحکم شرحیں، رہائش اور مشینوں کی درآمدات کے

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک ایکٹو ایلوکیشن پلان-II کے گوشواروں مختتمہ 30 جون 2021ء کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

مالی سال 2021ء معاشی کارکردگی کے اعتبار سے مثبت سال ثابت ہوا ہے۔ مجموعی ملکی پیداوار (جی ڈی پی) اس سال کے ہدف (2.1 فیصد) سے سبقت لے گئی اور اس میں 3.94 فیصد ترقی ہوئی۔ اس توقع سے بہتر کارکردگی کے اسباب سود کی نسبتاً کم اور مستحکم شرحیں، اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیمیں، شعبہ تعمیرات کی حوصلہ افزائی کے لیے ایمنسٹی اسکیم، طلب میں بحالی اور کھپت میں مجموعی ترقی کے لیے معاون ثابت ہونے والی ترسیلات کی مضبوط آمد ہیں۔

ترقی کی رفتار سال بھر تیز رہی جس کی عکاسی مختلف شعبوں کی کارکردگی کے ذریعے ہوتی ہے۔ سیمنٹ کے شعبے میں مقامی ترسیلات میں متاثر کن بحالی ہوئی اور ان میں سال گزشتہ کے مقابلے میں تقریباً 20 فیصد ترقی ہوئی۔ 2 اور 3 پتھوں والی گاڑیوں کی فروخت میں بھی تقریباً 39 فیصد کا متاثر کن ترقی ہوئی جس سے معیشت میں پلک کی عکاسی ہوتی ہے۔ اسی طرح، پٹرول اور ڈیزل کی طلب میں سال گزشتہ کے مقابلے میں بالترتیب 12 فیصد اور 16 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی نشاندہی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کے انڈیکس میں گزشتہ شعبوں کی بدولت موجودہ مالی سال کے پہلے گیارہ ماہ میں تقریباً 14.6 فیصد ترقی ہوئی ہے۔

خارجی میدان میں مالی سال 2021ء میں کرنٹ اکاؤنٹ کا خسارہ 1.8 بلین ڈالر (جی ڈی پی کا 0.6- فیصد) تھا جو گزشتہ سال کے خسارے 4.4 بلین ڈالر (جی ڈی پی کے 1.7- فیصد) کے مقابلے میں 58 فیصد بہتری ہے۔ اشیاء اور خدمات میں تجارت پر بقایا پر 30 بلین ڈالر خسارے (اس سال تقریباً 23 فیصد زیادہ) کے باوجود کارکنان کی ترسیلات کی مضبوط آمد کے سبب کرنٹ اکاؤنٹ خسارہ معمولی منفی رہا۔ ترسیلات بڑھ کر 29.4 بلین ڈالر ہو گئیں جو سال گزشتہ کی سطح 23.1 بلین ڈالر کے مقابلے میں 27 فیصد اضافہ ہے۔

افراط زر حکومت کی دھتھی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط سال گزشتہ سے 8.9 فیصد زیادہ تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث جلد خراب ہو جانے والی اشیائے خورد و نوش اور گندم کی قیمتوں میں اضافہ جاری رہا۔ اس کے باوجود بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.4 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی لیکن مرکزی بینک کو وڈ کے باعث طلب کی جہت پر پڑنے والے دباؤ اور بہتر خارجی صورتحال کی بدولت پیدا ہونے والی سہولت کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں دوران مالی سال 18 فیصد اضافہ ہوا جو نظر ثانی شدہ ہدف سے 30 بلین روپے زیادہ تھا۔ ابتدائی نو ماہ کا مالیاتی خسارہ جی ڈی پی کا 3.6 فیصد تھا جبکہ سال گزشتہ جی ڈی پی کا 3.8 فیصد تھا۔ بنیادی توازن جی ڈی پی کے 1.0 فیصد زائد کے ساتھ مزید بہتر ہا جبکہ سال گزشتہ جی ڈی پی کا 0.4 فیصد تھا۔

افراط زر میں اضافے کے رجحان کے سبب پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 146، 138 اور 125 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

## ڈائریکٹرز رپورٹ

-	4	4	4	6- سید ساویل میکال حسین
-	4	4	4	7- جناب محمد ثاقب سلیم (سی ای او)

m. دوران سال مینجمنٹ کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس آفیسر، کمپنی سیکریٹری، اور چیف انٹرنل آڈیٹر اور ان کی اہلیہ/شوہر اور نابالغ بچوں نے فنڈ کے یونٹس میں تجارت کی۔

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
					یونٹس کی تعداد
1	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں

### خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز Ernst & Young Ford Rhodes چارٹرڈ اکاؤنٹنٹس نے فنڈ کے آڈیٹرز برائے سال محترمہ 30 جون 2022ء کے طور پر جاری رہنے کی رضامندی کا اظہار کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے Ernst & Young Ford Rhodes چارٹرڈ اکاؤنٹنٹس کی فنڈ کے آڈیٹرز برائے سال محترمہ 30 جون 2022ء کے طور پر دوبارہ تقرری کی سفارش پیش کی ہے۔

### اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



کاشف اے حبیب  
ڈائریکٹر



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
15 ستمبر 2021ء

## ڈائریکٹرز رپورٹ

کوششیں جاری ہیں؛

f. فنڈ کے کاروبار جاری رکھنے کی صلاحیت میں کسی قسم کے کوئی شبہات نہیں ہیں؛

g. کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے؛

h. واجب الاداء ٹیکس، قانونی چارجز اور ڈیویڈنڈ (محصولات اور چنگی وغیرہ) کو (اگر کوئی ہیں تو) آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے۔

i. پراویڈنٹ/ گریجویٹس اور پینشن فنڈ کی سرمایہ کاریوں کی قدر کے بیان کا اطلاق فنڈ پر نہیں ہوتا لیکن بینجمنٹ کمپنی پر ہوتا ہے؛ چنانچہ ڈائریکٹرز رپورٹ میں کوئی اظہار نہیں کیا گیا ہے۔

j. 30 جون 2021ء کو کمپنی، کوڈ کے ریگولیشن نمبر 20 کے مطابق ڈائریکٹرز مینٹنگ پروگرام کی شرائط پر عمل پیرا ہے۔

k. این بی ایف سی ریگولیشنز کے مطابق مطلوب یونٹ ہولڈنگ کا تفصیلی خاکہ منسلک ہے۔

l. بورڈ آف ڈائریکٹرز مینٹنگ کی حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کر دی گئی ہیں۔ سال مختتمہ 30 جون 2021ء کے دوران ہونے والی کمیٹی مینٹنگ کی تفصیلات درج ذیل ہیں:

۱۔ آڈٹ کمیٹی کی مینٹنگ

دوران سال آڈٹ کمیٹی کی نو (9) مینٹنگ منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

مینٹنگ کی تعداد		مینٹنگ کی تعداد		
منظور شدہ رخصت	حاضری	مطلوبہ حاضری	منعقدہ مینٹنگ کی تعداد	نام
-	9	9	9	۲۔ مرزا محمد قمر بیگ (چیئرمین)
-	9	9	9	۳۔ جناب نسیم بیگ
-	9	9	9	۴۔ جناب احمد جہانگیر
-	9	9	9	۵۔ جناب کاشف اے حبیب
-	9	9	9	۶۔ سید ساویل میکان حسین

۲۔ ہیومن ریسورس اینڈ ریویژن کمیٹی کی مینٹنگ

دوران سال ہیومن ریسورس اینڈ ریویژن کمیٹی کی چار (4) مینٹنگ منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

مینٹنگ کی تعداد		مینٹنگ کی تعداد		
منظور شدہ رخصت	حاضری	مطلوبہ حاضری	منعقدہ مینٹنگ کی تعداد	نام
-	4	4	4	۱۔ جناب مرزا قمر بیگ (چیئرمین)
-	4	4	4	۳۔ جناب احمد جہانگیر
-	4	4	4	۴۔ جناب نسیم بیگ
1	3	4	4	۵۔ محترمہ ماوراء عادل خان

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ہے۔ ہمارے آپریٹرز بلا کاؤٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکے۔

### کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیار نافذ کرنے کے لیے پُر عزم ہے۔ چار (4) نان ایگزیکٹو ڈائریکٹرز، تین (3) خود مختار ڈائریکٹرز اور ایک (1) ایگزیکٹو ڈائریکٹر پر مشتمل بورڈ، مینجمنٹ کمپنی کی گورننگ باڈی کی حیثیت سے یونٹ حاملین کو عمدہ کارپوریٹ گورننس کے لیے جوابدہ ہے۔ بورڈ میں 1 خاتون اور 7 حضرات ڈائریکٹرز شامل ہیں۔ تفصیلات درج ذیل ہیں:

نمبر شمار	نام	عہدہ	دیگر بورڈ کمیٹیوں میں رکنیت
1.	جناب ہارون راشد	نان ایگزیکٹو ڈائریکٹر	کوئی نہیں
2.	جناب نسیم بیگ	نان ایگزیکٹو ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
3.	جناب احمد جہانگیر	نان ایگزیکٹو ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
4.	جناب کاشف اے حبیب	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	سید ساویل میقال حسین	خود مختار ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
6.	جناب مرزا قمر بیگ	خود مختار ڈائریکٹر	(i) آڈٹ کمیٹی (چیئر مین)؛ اور (ii) ایچ آر اینڈ آر کمیٹی* (چیئر مین)
7.	محترمہ ماوراء عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی *
8.	جناب محمد ثاقب سلیم	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی *

\* ایچ آر اینڈ آر: ہیومن ریسورس اینڈ میوزیشن

مینجمنٹ کوڈ آف کارپوریٹ گورننس میں متعین کردہ بہترین روایات کی دفعات، خصوصاً نان ایگزیکٹو ڈائریکٹرز کی خود مختاری کے حوالے سے، کی تعمیل جاری رکھے ہوئے ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز، جن میں بورڈ آف ڈائریکٹرز اور مینجمنٹ کے کردار اور ذمہ داریوں کو واضح کیا گیا ہے، کے مطابق کاروبار کرنے پر کاربند ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے پالمرسٹ مطلع کیا جاتا ہے کہ:

a. مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمد و رفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

b. کمپنی کی درست بکس آف اکاؤنٹس بنائی گئی ہیں؛

c. مالیاتی گوشواروں کی تیاری میں درست اکاؤنٹنگ پالیسیوں کا باقاعدگی کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں؛

d. مالیاتی گوشواروں کی تیاری میں پاکستان میں حتمی الاطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات، non بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز 2003، non بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹی ریگولیشنز 2008، متعلقہ ٹرسٹ ڈیڈز کی ضروریات اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کی گئی ہے؛

e. انٹرنل کنٹرول کا نظام مستحکم خطوط پر استوار اور موثر انداز میں نافذ کیا گیا ہے اور اس کی موثر نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی

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دے رہی ہے۔ تعمیرات اور رہائش کے شعبوں میں سرمایہ کاری کے ذریعے برآمدات میں اضافے اور مقامی طلب کو متحرک کرنے پر توجہ کارکنان حکومت کی ترقی پسندانہ حکمت عملی کے سنگ میل ہیں۔ اس ضمن میں کلیدی اقدامات میں سازگار ماحول بشمول سود کی مستحکم شرحیں، رہائش اور مشینوں کی درآمدات کے لیے رقم مہیا کرنے کی کم لاگت اسکیمیں، اور بجلی کی محصولات میں مزید اضافے سے احتراز شامل ہیں۔ پبلک سیکٹر میں رقوم کی فراہمی پر بوجھ میں کمی کے حالیہ حکومتی اقدامات کے باوجود پبلک سیکٹر کے ادارے اور خاص طور پر توانائی کا شعبہ تاحال آئی ایم ایف مذاکرات میں ایک تلخ مسئلہ اور حکومت کے لیے ایک بڑا چیلنج بنا ہوا ہے۔ ادائیگی کے توازن کے اکاؤنٹ میں تیزی سے ہونے والا بگاڑ حکومت کو آئی ایم ایف پالیسی کے ڈھانچے کے سامنے ہتھیار ڈالنے پر مجبور کر سکتا ہے جس کے نتیجے میں معاشی ترقی کی رفتار میں تبدیلی آسکتی ہے۔

کیپیٹل مارکیٹ کے نقطہ نظر سے، خصوصاً ایکویٹیز کے تناظر میں، بازار کو وڈ کی چوتھی لہر کے حوالے سے گہری نظر رکھے ہوئے ہیں جس سے مدت قریب میں خطرات لاحق ہیں۔ ترقی کی رفتار جاری رہنے کے تناظر میں ایکویٹیز سرمایہ کاروں کو اچھا منافع دینے کی استعداد کی حامل ہے۔ دس سالہ بانڈز سے متعلق خطرات کے پریمیم فی الوقت 3.6 فیصد پر ہیں، اور قدیم اوسط 1.3 فیصد کے ساتھ تقابل سے پتہ چلتا ہے کہ شرح کے دوبارہ تعین کی بدولت کچھ فائدہ ممکن ہے۔ آمدنیوں میں اضافہ اگلے کچھ برسوں کے لیے کلیدی محور ہوگا۔ چنانچہ ایکویٹی مارکیٹ سے مضبوط تر منافع جات جاری رہنے کی توقع کی جاسکتی ہے۔ حال ہی میں پاکستان اسٹاک ایکچینج کی درجہ بندی کی ایم ایس سی آئی (مورگن اسٹینلی کیپیٹل انٹرنیشنل) امریکن مارکیٹ انڈیکس سے ایم ایس سی آئی فونڈیشن مارکیٹ انڈیکس میں تبدیلی سے متعلق اعلان معمولی حد تک مثبت رہے گا، چنانچہ مقامی سرمایہ کار ممکنہ طور پر بازار کی رفتار میں کردار ادا کریں گے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات اس مالی سال میں تقریباً 37.2 فیصد بڑھ کر 1,018 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 48 فیصد بڑھ کر 467 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 39 فیصد بڑھ کر 285 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سال 33 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 299 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 38 فیصد سال در سال (YoY) ترقی کو قرار دیا جاسکتا ہے۔

شعبہ جاتی حصے کے اعتبار سے مالی سال کے اختتام پر منی مارکیٹ فنڈز تقریباً 46 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 24 فیصد کے حامل تھے۔

### میوچل فنڈ صنعت کے مستقبل کا منظر

سود کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہم امید کرتے ہیں کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورتحال بہتر ہوگی۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی

## ڈائریکٹرز رپورٹ

### ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج - 100 انڈیکس نے مالی سال 2021ء کے لیے 38 فیصد منافع پوسٹ کیا اور اختتام سال پر 12,934 پوائنٹس کا اضافہ حاصل کر کے 47,356 پوائنٹس پر پہنچ گیا۔ یہ مالی سال 2014ء سے لے کر اب تک کا بلند ترین منافع تھا جب انڈیکس نے دوران سال 41 فیصد منافع حاصل کیا۔ دوران سال کو وڈ کی دوسری لہر (اکتوبر 2020ء) اور تیسری لہر (فروری 2021ء) کے ظہور نو اور حزب اختلاف کی ریلیوں اور سینیٹ کے انتخابات کے باعث پیدا ہونے والی سیاسی بدامنی کے باعث بازار کی لچک متاثر ہوئی۔ البتہ متوقع سے مضبوط تر معاشی بحالی اور مرکزی بینک کے اقدامات (TERF، IRDA اور بینکوں کی جانب سے گھر کے لیے رقم کی لازمی فراہمی) کی بدولت بازار کی مثبت رفتار جاری رہی۔

انڈیکس میں اہم مثبت کردار ادا کرنے والے شعبے ٹیکنالوجی (385 فیصد)، بینک (36 فیصد) اور سیمنٹ (77 فیصد) رہے، جبکہ خام تیل کی قیمتوں میں 83 فیصد اضافے کے باوجود دریافت اور پیداوار (ای اینڈ پی) کا شعبہ 11 فیصد منافع کے ساتھ سست روی کا شکار رہا۔ بازار میں نقدیت کی صورتحال سال بھر ٹھیک ٹھاک رہی اور اوسط یومیہ حجم 169 فیصد بڑھ کر 528 ملین حصص ہو گیا جبکہ مالی سال 2020ء میں 196 ملین حصص تھا۔ علاوہ ازیں، تجارت کردہ اوسط قدر بھی 163 فیصد سال در سال (YoY) بڑھ کر 120 ملین ڈالر ہو گئی جو ایک سال قبل 46 ملین ڈالر تھی۔

غیر ملکی سرمایہ کاروں میں فروخت کا جوش مالی سال 2021ء کے دوران بھی برقرار رہا اور 387 ملین ڈالر کی خالص منافع ہوا جبکہ سال گزشتہ 285 ملین ڈالر تھی۔ لیکن اس فروخت کا اکثر حجم افراد اور کمپنیوں کی جانب سے کی گئی فروخت، بالترتیب 332 ملین ڈالر اور 138 ملین ڈالر، کے ذریعے زائل ہو گیا۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے منفی 0.12 فیصد پوسٹ کیا، جبکہ مقررہ معیار کا منفی 0.55 فیصد تھا۔

30 جون 2021ء کو فنڈ کی سرمایہ کاری الحمراء اسلامک اسٹاک فنڈ میں 24.6 فیصد، اور الحمراء اسلامک انکم فنڈ میں 73.7 فیصد تھی۔

30 جون 2021ء کو فنڈ کے inet اثاثہ جات 123 ملین روپے تھے جبکہ inet اثاثہ جاتی قدر (این اے وی) نی یونٹ 99.8771 روپے تھی۔

ایس آر بی نے اپنے خط مؤرخہ 12 اگست 2021ء کے ذریعے، جو MUFAP کو 13 اگست 2021ء کو موصول ہوا، MUFAP کو مطلع کر دیا ہے کہ میوچل فنڈ ز مالیاتی اداروں / صنعتی اسٹیبلشمنٹس کے طور پر اہل نہیں ہیں اور چنانچہ SWWF کے شرکائی حصے ان پر واجب الادا نہیں ہیں۔

13 اگست 2021ء کو انتظامیہ نے MUFAP سے مشورے کے بعد اور ایس ای سی پی سے SWWF کے پراویژن کی متوقع تقلیب پر اتفاق رائے کے بعد فنڈ میں 12 اگست 2021ء کی مدت تک کے لیے کیے گئے SWWF کے مجموعی پراویژن کی تقلیب کر دی ہے۔ چنانچہ آئندہ فنڈ میں SWWF کے لیے کوئی پراویژن نہیں کیا جائے گا۔ پراویژن کی تقلیب کے باعث 13 اگست 2021ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) میں غیر معمولی اضافہ ہوا۔ یہ واقعہ صرف ایک مرتبہ ہوا ہے اور اس کے دوبارہ ہونے کا امکان نہیں ہے۔ مزید تفصیلات کے لیے مالیاتی گوشواروں کا نوٹ 11.1 ملاحظہ فرمائیے۔

### معیشت اور بازار - مستقبل کا منظر

سہل مالیاتی پالیسیوں کے سبب آنے والے سال میں ترقی کی رفتار جاری رہنے کا امکان ہے۔ وسیع تر معیشت قبل از کووڈ سطحوں کے قریب چلتی ہوئی نظر آرہی ہے جس کی پیمائش ایل ایس ایم میں ترقی، سیمنٹ کی فروخت، گاڑیوں کی فروخت وغیرہ سے ہوتی ہے۔ ہم امید کرتے ہیں کہ جی ڈی پی میں مالی سال 2022ء میں مزید ترقی ہوگی لیکن حکومتی ہدف 4.8 فیصد سے کچھ کم رہے گی۔ اشیاء کی قیمتوں میں حالیہ اضافے نے مالیاتی اور خارجی، دونوں اکاؤنٹس کے لیے مشکلات پیدا کی ہیں۔ مالیاتی جہت میں آمدنی اور ترقیاتی اخراجات کے اہداف کا پورا ہونا بہت مشکل ہے۔

درآمدات کی رفتار میں بحالی سے کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 2.8 فیصد پہنچ جانے کی امید ہے جس کے باعث اختتام سال تک زرمبادلہ کی شرح کمزور ہو کر تقریباً 170 ڈالر ہونے کا امکان ہے۔ اشیاء کی قیمتیں اور کمزور تر روپیہ بھی اوسط افراط زر کو برقرار رکھنے کا سبب بن سکتے ہیں جو تقریباً 8.5 فیصد ہو سکتی ہے۔ چنانچہ دوران سال آگے چل کر مالیاتی پالیسی میں سختی متوقع ہے اور اختتام سال تک سود کے 9 فیصد تک پہنچ جانے کا امکان ہے۔

آئی ایم ایف پروگرام بظاہر تعطل کا شکار ہے کیونکہ حکومت کفایت شعاری پر مبنی روایتی آئی ایم ایف اصلاحات پر ترقی پسندانہ اقدامات میں توسیع کو ترجیح

بورڈ آف ڈائریکٹرز کی جانب سے اہمراء اسٹارٹ اپ پورٹ فولیو کے گوشواروں مختتمہ 30 جون 2021ء کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

مالی سال 2021ء معاشی کارکردگی کے اعتبار سے مثبت سال ثابت ہوا ہے۔ مجموعی ملکی پیداوار (جی ڈی پی) اس سال کے ہدف (2.1 فیصد) سے سبقت لے گئی اور اس میں 3.94 فیصد ترقی ہوئی۔ اس توقع سے بہتر کارکردگی کے اسباب سود کی نسبتاً کم اور مستحکم شرحیں، اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیمیں، شعبہ تعمیرات کی حوصلہ افزائی کے لیے ایمنسٹی اسکیم، طلب میں بحالی اور کھپت میں مجموعی ترقی کے لیے معاون ثابت ہونے والی ترسیلات کی مضبوط آمد ہیں۔

ترقی کی رفتار سال بھر تیز رہی جس کی عکاسی مختلف شعبوں کی کارکردگی کے ذریعے ہوتی ہے۔ سیمنٹ کے شعبے میں مقامی ترسیلات میں متاثر کن بحالی ہوئی اور ان میں سال گزشتہ کے مقابلے میں تقریباً 20 فیصد ترقی ہوئی۔ 2 اور 3 پھوسوں والی گاڑیوں کی فروخت میں بھی تقریباً 39 فیصد کا متاثر کن ترقی ہوئی جس سے معیشت میں پلک کی عکاسی ہوتی ہے۔ اسی طرح، پٹرول اور ڈیزل کی طلب میں سال گزشتہ کے مقابلے میں بالترتیب 12 فیصد اور 16 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی نشاندہی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کے انڈیکس میں گزشتہ شعبوں کی بدولت موجودہ مالی سال کے پہلے گیارہ ماہ میں تقریباً 14.6 فیصد ترقی ہوئی ہے۔

خارجی میدان میں مالی سال 2021ء میں کرنٹ اکاؤنٹ کا خسارہ 1.8 بلین ڈالر (جی ڈی پی کا 0.6- فیصد) تھا جو گزشتہ سال کے خسارے 4.4 بلین ڈالر (جی ڈی پی کے 1.7- فیصد) کے مقابلے میں 58 فیصد بہتری ہے۔ اشیاء اور خدمات میں تجارت پر بقایا پر 30 بلین ڈالر خسارے (اس سال تقریباً 23 فیصد زیادہ) کے باوجود کارکنان کی ترسیلات کی مضبوط آمد کے سبب کرنٹ اکاؤنٹ خسارہ معمولی منفی رہا۔ ترسیلات بڑھ کر 29.4 بلین ڈالر ہو گئیں جو سال گزشتہ کی سطح 23.1 بلین ڈالر کے مقابلے میں 27 فیصد اضافہ ہے۔

افراط زر حکومت کی دھتھی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط سال گزشتہ سے 8.9 فیصد زیادہ تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث جلد خراب ہو جانے والی اشیائے خورد و نوش اور گندم کی قیمتوں میں اضافہ جاری رہا۔ اس کے باوجود بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.4 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی لیکن مرکزی بینک کو وڈ کے باعث طلب کی جہت پر پڑنے والے دباؤ اور بہتر خارجی صورتحال کی بدولت پیدا ہونے والی سہولت کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں دوران مالی سال 18 فیصد اضافہ ہوا جو نظر ثانی شدہ ہدف سے 30 بلین روپے زیادہ تھا۔ ابتدائی نو ماہ کا مالیاتی خسارہ جی ڈی پی کا 3.6 فیصد تھا جبکہ سال گزشتہ جی ڈی پی کا 3.8 فیصد تھا۔ بنیادی توازن جی ڈی پی کے 1.0 فیصد زائد کے ساتھ مزید بہتر ہا جبکہ سال گزشتہ جی ڈی پی کا 0.4 فیصد تھا۔

افراط زر میں اضافے کے رجحان کے سبب پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 146، 138 اور 125 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

## **REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2021**

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### **Fund Type and Category**

Alhamra Islamic Active Allocation Plan-I is a Shariah Compliant Islamic Asset Allocation Plan

### **Fund Benchmark**

The benchmark for ALHIAAP-I is KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme

### **Investment Objective**

Alhamra Islamic Active Allocation Plan-I is a Shari'ah Compliant Islamic Asset Allocation Plan with an objective to earn a potentially high return through active asset allocation among Shari'ah Compliant Islamic Scheme based on the Fund Manager's outlook of the asset classes.

### **Manager's Review**

The ALHIAPP-1 has matured on 28<sup>th</sup> Dec'20. During the period under review, the fund posted a return of 3.56% against the benchmark return of 2.58%, implying an outperformance of 0.98%. Since inception, ALHIAPP-1 has posted return of -0.93% as against the benchmark return of -10.31%, an outperformance of 9.38%.

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**Syed Abid Ali**  
**Fund Manager**

## **REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2021**

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### **Fund Type and Category**

Alhamra Islamic Active Allocation Plan-II is a Shariah Compliant Islamic Asset Allocation Plan .

### **Fund Benchmark**

The benchmark for ALHIAAP-II is KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme

### **Investment Objective**

Alhamra Islamic Active Allocation Plan-II is a Shari'ah Compliant Islamic Asset Allocation Plan with an objective to earn a potentially high return through active asset allocation among Shari'ah Compliant Islamic Scheme based on the Fund Manager's outlook of the asset classes.

### **Manager's Review**

The ALHIAPP-II has matured on 15<sup>th</sup> Jun'21. During the period under review, the fund posted a return of 7.49% against the benchmark return of 5.24%, implying an outperformance of 2.25%. Since inception, ALHIAPP-II has posted return of 13.21% as against the benchmark return of 5.11%, an outperformance of 8.10%.

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**Syed Abid Ali**  
**Fund Manager**

# REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2021

## Fund Type and Category

Alhamra Smart Portfolio is a Shariah Compliant Islamic Asset Allocation Plan.

## Fund Benchmark

The benchmark for ALHSP is KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by the MUFAP on the basis of actual proportion held by the Scheme.

## Investment Objective

The objective of Alhamra Smart Portfolio (ALHSP) is to provide opportunity to the Unit Holders to earn potentially high return by taking stock market exposure while minimizing risk to capital.

## Manager's Review

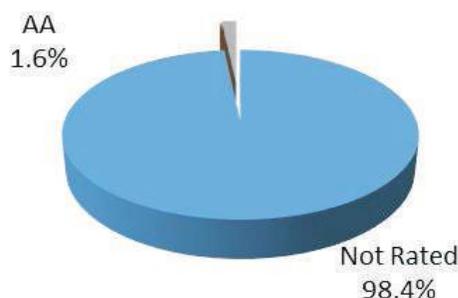
The fund was launched on 11<sup>th</sup> June 2021. The fund posted a return of -0.12% during the period under review against the benchmark return of -0.55%. Equity exposure of the fund at June end was 24.6% which was invested in Alhamra Islamic Stock Fund, while 73.7% of the fund was invested in Alhamra Islamic Income Fund, whereas cash exposure was 1.6%.

The Net Assets of the Fund as at June 30, 2021 stood at Rs. 123 million and the Net Asset Value (NAV) per unit was Rs. 99.8771.

### Asset Allocation as on June 30, 2021 (% of total assets)

Asset Allocation (%age of Total Assets)	Jun-21
Cash	1.6%
Alhamra Islamic Income Fund	73.7%
Others including receivables	0.1%
Alhamra Islamic Stock Fund	24.6%

### Asset Quality as on June 30, 2021 (% of total assets)



Syed Abid Ali  
Fund Manager

# TRUSTEE REPORT TO THE UNIT HOLDERS

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## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

### ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

#### Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Al-Hamra Islamic Active Allocation Fund, an open-end Scheme established under a Trust Deed executed between MCB Arif Habib Savings and Investments Limited as Management Company and MCB Financial Services Limited as Trustee on November 25, 2016.. The scheme was approved by Securities & Exchange Commission of Pakistan on December 02, 2016.

1. MCB Arif Habib Savings and Investments Limited, the Management Company of Al-Hamra Islamic Active Allocation Fund has, in all material respects, managed Al-Hamra Islamic Active Allocation Fund during the year ended June 30<sup>th</sup>, 2021 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement

Khawaja Anwar Hussain  
Chief Executive Officer  
Digital Custodian Company Limited  
Formerly MCB Financial Services Limited

Karachi: September 10, 2021

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# REPORT OF THE SHARIAH ADVISORY BOARD

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Karachi: September 10, 2021

## REPORT OF THE SHARIAH ADVISORY BOARD

Alhamdulillah, We the Shariah Advisory Board of Alhamra Islamic Active Allocation (the Fund), are issuing this report in accordance with the Offering document of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of M/s MCB Arif Habib Savings and Investments limited (MCBAH), the management company of the fund, to establish and maintain a system of internal controls to ensure compliance with Shariah guidelines. Our responsibility is to express an opinion, based on our review of the representation made by the management, to the extent where such compliance can be objectively verified.

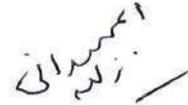
A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, we hereby certify that:

- We have reviewed and approved the modes of investment of ALHIAAP in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHIAAP by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of ALHIAAP for the period from July 01, 2020 to June 30, 2021 have been in compliance with Shariah principles.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the hereafter, and forgive our mistakes.



Dr Muhammad Zubair Usmani  
(Shariah Advisor)



Dr Ejaz Ahmed Samadani  
(Shariah Advisor)

**For and on behalf of Shariah Advisory Board**

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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Chartered Accountants  
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## INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alhamra Islamic Active Allocation Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Alhamra Islamic Active Allocation Fund (the Fund)**, which comprise the statement of assets and liabilities as at **30 June 2021**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>1. Existence and valuation of bank balances and investments</b>	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2021, the bank balances and investments (comprised of open end mutual funds) held by the Fund represent 99.98% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:
In view of the significance of bank balances and investment in relation to the total assets and the Net Asset Value (NAV) of the Fund, we have considered the existence	<ul style="list-style-type: none"><li>- We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2021 and reconciled it with the books and records of the Fund.</li><li>- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li></ul>

A member firm of Ernst & Young Global Limited

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



-: 2 :-

Key audit matter	How our audit addressed the key audit matter
and valuation of such bank balances and investments as a key audit matter.	<ul style="list-style-type: none"><li>- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4.</li><li>- We evaluated the appropriateness of the classification of the Investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).</li><li>- We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li><li>- We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li></ul>

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



-: 3 :-

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

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-: 4 :-

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

**Chartered Accountants**

**Date: 21 September 2021**

**Karachi**

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2021

	Note	----- June 30, 2021 -----				----- June 30, 2020 -----			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----									
<b>ASSETS</b>									
Balances with banks	5	6,146	14,126	2,031	22,303	19,166	11,444	-	30,610
Investments	6	-	-	121,079	121,079	322,630	166,072	-	488,702
Profit receivable		-	-	30	30	95	46	-	141
Advance, deposits and other receivables	7	-	-	-	-	60	-	-	60
<b>Total assets</b>		<b>6,146</b>	<b>14,126</b>	<b>123,140</b>	<b>143,412</b>	<b>341,951</b>	<b>177,562</b>	<b>-</b>	<b>519,513</b>
<b>LIABILITIES</b>									
Payable to the Management Company	8	-	-	10	10	40	21	-	61
Payable to the Trustee	9	-	-	16	16	28	25	-	53
Payable to the Securities and Exchange Commission of Pakistan	10	-	29	1	30	87	65	-	152
Accrued expenses and other liabilities	11	6,146	14,097	54	20,297	1,004	888	-	1,892
<b>Total liabilities</b>		<b>6,146</b>	<b>14,126</b>	<b>81</b>	<b>20,353</b>	<b>1,159</b>	<b>999</b>	<b>-</b>	<b>2,158</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>	<b>123,059</b>	<b>123,059</b>	<b>340,792</b>	<b>176,563</b>	<b>-</b>	<b>517,355</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>-</b>	<b>-</b>	<b>123,059</b>	<b>123,059</b>	<b>340,792</b>	<b>176,563</b>	<b>-</b>	<b>517,355</b>
<b>Contingencies and Commitments</b>	12	--- (Number of units) ---				--- (Number of units) ---			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>-</b>	<b>-</b>	<b>1,232,102</b>	<b>-</b>	<b>3,774,078</b>	<b>1,846,316</b>	<b>-</b>	<b>-</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>-</b>	<b>-</b>	<b>99.8771</b>	<b>-</b>	<b>90.2980</b>	<b>95.6301</b>	<b>-</b>	<b>-</b>

The annexed notes 1 to 25 form an integral part of these financial statements.

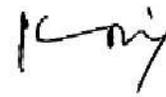
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2021

	For the period			June 30, 2020				
	from July 1, 2020 to December 28, 2020	For the period from July 1, 2020 to June 15, 2021	For the period from June 11, 2021 to June 30, 2021					
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
	Note ----- (Rupees in '000) -----							
<b>INCOME</b>								
Income from bank balances	337	418	30	784	1,841	1,049	-	2,890
Dividend income	-	-	235	235	14,628	8,682	-	23,310
Gain on sale of investments - net	10,750	11,470	-	22,220	8,102	17,850	-	25,952
Net unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	-	-	(357)	(357)	2,205	1,016	-	3,221
Other income	-	-	-	-	-	-	-	-
<b>Total income / (loss)</b>	<b>11,087</b>	<b>11,888</b>	<b>(92)</b>	<b>22,882</b>	<b>26,776</b>	<b>28,597</b>	<b>-</b>	<b>55,373</b>
<b>EXPENSES</b>								
Remuneration of the Management Company	34	37	3	74	183	104	-	287
Sindh sales tax on remuneration of the Management Company	4	5	0	10	24	13	-	37
Remuneration of the Trustee	137	238	14	388	393	330	-	723
Sindh sales tax on remuneration of the Trustee	18	31	2	50	51	43	-	94
Annual fee to Securities and Exchange Commission of Pakistan	30	29	1	60	87	65	-	152
Allocated expenses	148	143	7	298	436	324	-	760
Auditors' remuneration	62	347	17	426	221	149	-	370
Amortisation of preliminary expenses and flotation costs	-	-	-	-	-	-	-	-
Printing charges	3	53	2	59	35	25	-	60
Settlement and bank charges	4	3	-	7	19	38	-	57
Listing fee	16	12	-	27	13	14	-	27
Legal and professional charges	18	116	3	136	42	37	-	79
Provision for Sindh Workers' Welfare Fund	212	217	-	430	505	549	-	1,054
<b>Total expenses</b>	<b>686</b>	<b>1,231</b>	<b>49</b>	<b>1,965</b>	<b>2,009</b>	<b>1,691</b>	<b>-</b>	<b>3,700</b>
<b>Net income / (loss) for the year before taxation</b>	<b>10,400</b>	<b>10,657</b>	<b>(141)</b>	<b>20,917</b>	<b>24,767</b>	<b>26,906</b>	<b>-</b>	<b>51,673</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the year</b>	<b>10,400</b>	<b>10,657</b>	<b>(141)</b>	<b>20,917</b>	<b>24,767</b>	<b>26,906</b>	<b>-</b>	<b>51,673</b>
<b>Allocation of net income for the year</b>								
Net income for the year after taxation	10,400	10,657	-	21,057	24,767	26,906	-	51,673
Income already paid on units redeemed	(4,373)	(2,851)	-	(7,224)	(8,228)	(11,131)	-	(19,359)
<b>Accounting income available for distribution</b>	<b>6,027</b>	<b>7,806</b>	<b>-</b>	<b>13,833</b>	<b>16,539</b>	<b>15,775</b>	<b>-</b>	<b>32,314</b>
- Relating to capital gains	6,027	7,806	-	13,833	1,986	7,551	-	9,537
- Excluding capital gains	-	-	-	-	14,553	8,224	-	22,777
	<b>6,027</b>	<b>7,806</b>	<b>-</b>	<b>13,833</b>	<b>16,539</b>	<b>15,775</b>	<b>-</b>	<b>32,314</b>

The annexed notes 1 to 25 form an integral part of these financial statements.

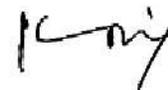
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	For the period from July 1, 2020 to December 28, 2020	For the period from July 1, 2020 to June 15, 2021	For the period from June 11, 2021 to June 30, 2021	June 30, 2020				
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
	----- (Rupees in '000) -----							
<b>Net income / (loss) for the year after taxation</b>	10,400	10,657	(141)	20,917	24,767	26,906	-	51,673
Other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the year</b>	<u>10,400</u>	<u>10,657</u>	<u>(141)</u>	<u>20,917</u>	<u>24,767</u>	<u>26,906</u>	<u>-</u>	<u>51,673</u>

The annexed notes 1 to 25 form an integral part of these financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II			Alhamra Smart Portfolio			Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II			Alhamra Smart Portfolio		
	For the period from July 1, 2020 to December 28, 2020			For the period from July 1, 2020 to June 15, 2021			For the period from June 11, 2021 to June 30, 2021			For the period from June 11, 2021 to June 30, 2021			June 30, 2020			June 30, 2020		
Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total	
472,874	(132,082)	340,792	211,921	(35,358)	176,563	-	-	799,234	(131,902)	627,332	743,249	(35,278)	707,971	-	-	-	-	
20,516	-	20,516	877	-	877	123,210	-	123,210	13,405	-	13,405	13,180	-	13,180	-	-	-	
71	-	71	52	-	52	(10)	-	(10)	171	-	171	253	-	253	-	-	-	
20,587	-	20,587	929	-	929	123,200	-	123,200	13,576	-	13,576	13,433	-	13,433	-	-	-	
(183,476)	-	(183,476)	(73,180)	-	(73,180)	-	-	(304,092)	-	(304,092)	(547,836)	-	(547,836)	-	-	-	-	
-	(4,376)	(4,376)	(2,851)	(2,851)	(2,851)	-	-	(8,228)	(8,228)	(8,228)	(11,131)	(11,131)	(11,131)	(11,131)	(11,131)	(11,131)	(11,131)	
(246)	-	(246)	(51)	-	(51)	-	-	4,156	-	4,156	3,075	-	3,075	-	-	-	-	
(183,722)	(4,376)	(188,098)	(73,231)	(2,851)	(76,082)	-	-	(289,536)	(8,228)	(297,764)	(544,761)	(11,131)	(555,892)	-	-	-	-	
-	10,400	10,400	10,657	10,657	21,314	-	-	-	24,767	24,767	26,906	26,906	26,906	26,906	-	-	-	
-	(9,646)	(9,646)	(7,806)	(7,806)	(15,612)	-	-	-	(16,719)	(16,719)	(15,855)	(15,855)	(15,855)	(15,855)	-	-	-	
-	754	754	2,851	2,851	5,702	-	-	-	8,048	8,048	11,051	11,051	11,051	11,051	-	-	-	
309,739	(135,704)	174,035	139,619	(35,358)	104,261	123,200	(141)	123,059	472,874	(132,082)	340,792	211,921	(35,358)	176,563	-	-	-	
(309,739)	135,704	(174,035)	(139,619)	35,358	(104,261)	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	123,200	(141)	123,059	472,874	(141)	123,059	472,874	(132,082)	340,792	211,921	(35,358)	176,563	-	-	-	
Undistributed (loss) / income brought forward comprising of:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Realised	-	-	(36,374)	-	(36,374)	-	-	-	(74,751)	-	10,065	-	10,065	-	-	-	-	
- Unrealised	-	-	1,016	-	1,016	-	-	-	(57,151)	-	(45,343)	-	(45,343)	-	-	-	-	
Accounting income available for distribution:	-	-	(35,358)	-	(35,358)	-	-	-	(131,902)	-	(35,278)	-	(35,278)	-	-	-	-	
- Relating to capital gains	-	-	7,806	-	7,806	-	-	-	1,986	-	7,551	-	7,551	-	-	-	-	
- Excluding capital gains	-	-	7,806	-	7,806	-	-	-	14,553	-	8,224	-	8,224	-	-	-	-	
Distribution during the year	-	-	(7,806)	-	(7,806)	-	-	-	(16,719)	-	(15,855)	-	(15,855)	-	-	-	-	
Undistributed loss carried forward	-	-	(35,358)	-	(35,358)	-	-	-	(132,082)	-	(35,358)	-	(35,358)	-	-	-	-	
Undistributed loss / (income) carried forward comprising of:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Realised	-	-	(35,358)	-	(35,358)	-	-	-	(134,287)	-	(36,374)	-	(36,374)	-	-	-	-	
- Unrealised	-	-	-	-	-	-	-	-	2,205	-	1,016	-	1,016	-	-	-	-	
Net assets value per unit at beginning of the year	-	-	95.6301	-	95.6301	-	-	-	(Rupees) --	-	93.8703	-	93.8703	-	-	-	-	
Net assets value per unit at end of the year	-	-	99.8771	-	99.8771	-	-	-	(Rupees) --	-	95.6301	-	95.6301	-	-	-	-	

The annexed notes 1 to 25 form an integral part of these financial statements.

**For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)**

  
M. Sanjida

Chief Executive Officer

  
A. Abdullah

Chief Financial Officer

  
Director

Director

# CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2021

	For the period from July 1, 2020 to December 28, 2020	For the period from July 1, 2020 to June 15, 2021	For the period from June 11, 2021 to June 30, 2021	June 30, 2020				
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
(Rupees in '000)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income / (loss) for the year	10,399	10,657	(141)	20,915	24,767	26,906	-	51,673
<b>Adjustments for non cash and other items:</b>								
Income from bank balances	(337)	(418)	(30)	(785)	(1,841)	(1,049)	-	(2,890)
Dividend income	-	-	(235)	(235)	(14,628)	(8,682)	-	(23,310)
Gain on sale of investments - net	(10,750)	(11,470)	-	(22,220)	-	-	-	-
Net unrealised loss / (income) on re-measurement of investments at fair value through profit or loss	-	-	357	357	(2,205)	(1,016)	-	(3,221)
Provision against Sindh Workers' Welfare Fund	212	217	-	429	505	549	-	1,054
	(10,875)	(11,671)	92	(22,456)	(18,169)	(10,198)	-	(28,367)
<b>Decrease / (increase) in assets</b>								
Investments	333,383	177,542	(121,436)	389,489	287,270	536,468	-	823,738
Advance, deposits and other receivables	60	-	-	60	-	-	-	-
	333,443	177,542	(121,436)	389,549	287,270	536,468	-	823,738
<b>(Decrease) / increase in liabilities</b>								
Payable to the Management Company	(40)	(21)	10	(51)	(35)	(42)	-	(77)
Payable to the Trustee	(28)	(25)	16	(37)	(26)	(35)	-	(61)
Payable to the Securities and Exchange Commission of Pakistan	(87)	(36)	1	(122)	(1,011)	(660)	-	(1,671)
Accrued expenses and other liabilities	4,930	12,992	54	17,976	39	18	-	57
	4,775	12,910	81	17,766	(1,033)	(719)	-	(1,752)
Income received on bank balances	430	464	-	894	1,948	1,089	-	3,037
Dividend received	-	-	235	235	14,628	8,682	-	23,310
<b>Net cash generated from operating activities</b>	338,172	189,902	(121,169)	406,903	309,411	562,228	-	871,639
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Amount received on issuance of units	20,587	929	123,200	144,716	13,576	13,433	-	27,009
Amount paid on redemption of units	(188,098)	(76,082)	-	(264,180)	(308,164)	(555,892)	-	(864,056)
Dividend paid	(183,681)	(112,067)	-	(295,748)	(16,719)	(15,855)	-	(32,574)
<b>Net cash used in financing activities</b>	(351,192)	(187,220)	123,200	(415,212)	(311,307)	(558,314)	-	(869,621)
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	(13,020)	2,682	2,031	(8,309)	(1,896)	3,914	-	2,018
Cash and cash equivalents at the beginning of the year	19,166	11,444	-	30,610	21,062	7,530	-	28,592
<b>Cash and cash equivalents at the end of the year</b>	6,146	14,126	2,031	22,301	19,166	11,444	-	30,610

The annexed notes 1 to 25 form an integral part of these financial statements.

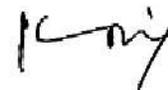
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Active Allocation Fund (the Fund) was established under a Trust Deed dated, November 25, 2016, executed between MCB Arif Habib Investments Limited as Management Company and Digital Custodian Company Limited ( Formerly: MCB Financial Services Limited) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 02, 2016 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company has been changed from 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi to 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund commenced its operations from December 29, 2016. The Fund is an open-end Shariah Compliant Fund of Funds that shall invest in other Shariah compliant Collective Investment Schemes as specified in the Investment Policy contained in the offering document and SECP circular No. 7 of 2009, as may be amended or substituted from time to time. The units of the Fund are redeemable subject to a contingent load.
- 1.4 The duration of the Fund is perpetual. However, Allocation Plans launched may have a set time frame. The Fund commenced its operations from December 29, 2016 and on that date, had offered one type of Allocation Plan (Plan-I). On June 16, 2017, the Fund has launched Allocation Plan-II. The Fund is allowed to invest in Shariah Compliant Collective Investment Schemes or in cash and / or near cash instruments as allowed under circular no.7 of 2009 dated March 6, 2009 issued by the SECP. The maturity of Allocation Plan I was two years from the close of the initial offer period of December 29, 2016 (i.e. maturing on December 28, 2018), however, the said maturity has been extended for another two years (i.e. maturing on December 28, 2020). The maturity of Allocation Plan II was two years from the close of the initial offer period of June 16, 2017 (i.e. maturing on June 16, 2019) however, the said maturity has been extended by two year (i.e. maturing on June 16, 2021). Accordingly, Plan-I matured on December 28, 2020 and its net asset value as at said date was Rs. 174.035 million and Rs.88.3577 per unit, while Plan-II matured on June 15, 2021 and its net asset value at said date was Rs. 104.261 million and Rs. 95.6301 per unit. The Management Company has launched Alhamra Smart Portfolio on June 10, 2021.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2020 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) as Trustee of the Fund.
- 1.7 All three plans have less than one year of operations, therefore, these financials are not comparable.
- 1.8 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" a s empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Act 2020 for registration.

## 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

## 3. BASIS OF PREPARATION

### 3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which are measured at fair value.

### 3.2 Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 4.5.1 and 4.9 respectively.

### 3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years

### 4.1 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

### 4.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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## 4.3 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments (if any) with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

## 4.4 Financial assets

### 4.4.1 Classification

#### **Business model assessment**

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at fair value through profit or loss.

### 4.4.2 Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

#### Subsequent Measurement

##### Debt instruments at Amortized Cost

After initial measurement, such debt instruments are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate.

##### Debt instruments at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other comprehensive income.

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

### 4.4.3 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 will be followed.

### 4.5 Derecognition

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

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### **4.6 Financial liabilities**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or

### **4.7 Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **4.8 Provisions**

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

### **4.9 Taxation**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### **4.10 Dividend distribution and appropriations**

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on Mutual Funds Association of Pakistan (MUFAP) guidelines (duly consented upon by SECP), distributions for the year are deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

### **4.11 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

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Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

### **4.12 Net asset value per unit**

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### **4.13 Revenue recognition**

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit / mark-up on bank balances, term deposit receipts and government securities is recognised on effective interest rate method.

### **4.14 Expenses**

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

### **4.15 (Loss) / earnings per unit**

(Loss) / earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average number of outstanding units for calculating EPU is not practicable.

### **4.16 Preliminary expenses and floatation cost**

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of two years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance companies and Notified Entities Regulation, 2008.

### **4.17 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

Element of income represents the difference between NAV per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
Note		----- (Rupees in '000) -----			
<b>5. BALANCES WITH BANKS</b>					
In current accounts	5.1	6,146	14,126	10	20,282
In saving accounts	5.2	-	-	2,020	2,020
		<b>6,146</b>	<b>14,126</b>	<b>2,031</b>	<b>22,303</b>

		June 30, 2020			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
Note		----- (Rupees in '000) -----			
In current accounts	5.1	3,024	3,492	-	6,516
In saving accounts	5.2	16,142	7,952	-	24,094
		<b>19,166</b>	<b>11,444</b>	<b>-</b>	<b>30,610</b>

5.1 These accounts are maintained with MCB Bank Limited, a related party.

5.2 These carry profit ranging from 6.60% to 6.8% (2020: 7.25% to 7.5%) per annum.

		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
Note		----- (Rupees in '000) -----			
<b>6. INVESTMENTS</b>					
<b>At fair value through profit or loss</b>					
- Units of open-end mutual funds	6.1	-	-	121,079	121,079

		June 30, 2020			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
Note		----- (Rupees in '000) -----			
<b>At fair value through profit or loss - held for trading</b>					
- Units of open-end mutual funds		322,630	166,072	-	488,702

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

6.1 Units of open-end mutual funds

Name of the fund	Number of units			Balances as at June 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at July 01, 2020	Purchased during the period	Redemption during the period	As at June 30, 2021	Carrying Value	Market Value			Unrealised (loss) / gain
	(Rupees in '000)							%	
<b>Alhamra Islamic Active Allocation Plan - I - with related party</b>									
Alhamra Islamic Stock Fund	-	3,075,397	3,075,397	-	-	-	0.00%	0.00%	
Alhamra Islamic Income Fund	3,167,846	315,918	3,483,764	-	-	-	0.00%	0.00%	
<b>Total as at June 30, 2021</b>									
<b>Total as at June 30, 2020</b>					320,425	322,630		2,205	
<b>Alhamra Islamic Active Allocation Plan - II - with related party</b>									
Alhamra Islamic Stock Fund	-	4,028,447	4,028,447	-	-	-	0.00%	0.00%	
Alhamra Islamic Income Fund	1,630,629	424,082	2,054,711	-	-	-	0.00%	0.00%	
<b>Total as at June 30, 2021</b>									
<b>Total as at June 30, 2020</b>					165,056	166,072		1,016	
<b>Alhamra Smart Portfolio with related party</b>									
Alhamra Islamic Stock Fund	-	2,681,101	-	2,681,101	30,707	30,270	24.60%	25.00%	
Alhamra Islamic Income Fund	-	890,625	-	890,625	90,728	90,809	73.79%	75.00%	
<b>Total as at June 30, 2021</b>					121,435	121,079		(357)	
<b>Total as at June 30, 2020</b>									

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

June 30, 2021			
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----			
7. ADVANCE, DEPOSITS AND OTHER RECEIVABLE			
Advance tax deducted at source	-	-	-
	-	-	-

June 30, 2020			
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----			
Advance tax deducted at source	60	-	-
	-	-	60

June 30, 2021			
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----			
<b>8. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	8.1	-	-
Sindh sales tax payable on management remuneration	8.2	-	-
Payable against allocated expenses	8.3	-	-
		3	3
		-	-
		7	7
		10	-

Note

June 30, 2020			
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----			
Management remuneration payable	10	5	-
Sindh sales tax payable on management remuneration	1	1	-
Payable against allocated expenses	29	15	-
	40	21	-
		-	61

- 8.1** The Management Company has charged remuneration at the rate of 10% on accrued bank mark-up as per the offering document.
- 8.2** During the year, Sindh Sales Tax on management fee has been charged at 13% (2020: 13%).
- 8.3** During the year the Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019. Previously the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is lower.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
<b>9. PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE</b>	Note				
Trustee remuneration payable	10.1	-	-	14	14
Sindh sales tax payable on trustee remuneration	10.2	-	-	2	2
		-	-	16	16

		June 30, 2020			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
Trustee remuneration payable		25	22	-	47
Sindh sales tax payable on trustee remuneration		3	3	-	6
		28	25	-	53

**9.1** Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears as per the following tariff structure.

Net Assets Value (NAV)	Tariff per annum
Up to Rs.1 billion	Rs.0.09% per annum of Daily Net Assets or Rs.0.25 million per annum, whichever is higher
Over Rs.1 billion	Rs.0.9 million plus 0.065% per annum of Daily Net Assets exceeding Rs.1 billion

**9.2** Sindh Sales Tax at 13% (2020: 13%) is charged on Trustee fee.

### 10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

SECP, vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee at 0.02% (2020: 0.02%) of net assets on all categories of collective investment schemes which is effective from July 01, 2020.

		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
<b>11. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	Note	----- (Rupees in '000) -----			
Auditors' remuneration		-	283	17	300
Provision for Sindh Workers' Welfare Fund (SWWF) Payable to legal advisor	11.1	982	942	-	1,924
Others		-	29	3	32
		5,164	12,843	34	18,070
		6,146	14,097	54	20,324

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2020			Total
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	
	----- (Rupees in '000) -----			
Auditors' remuneration	197	122	-	319
Provision for Sindh Workers' Welfare Fund (SWWF)	769	725	-	1,494
Payable to legal advisor	13	8	-	21
Others	25	33	-	58
	1,004	888	-	1,892

**11.1** Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 received on August 13, 2021 by MUFAP, has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF Contributions. This development was discussed at MUFAP level on August 13, 2021 and was also taken up with the SECP and all the Asset Management Companies in consultation with SECP reversed the cumulative provision for SWWF recognized in the fund till August 12, 2021 on August 13, 2021. Furthermore, SECP through its letter dated August 30, 2021 has also given its concurrence for prospective reversal of provision of SWWF. Accordingly, going forward, no provision for SWWF would be recognized in the financial statements of the Fund.

### 12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

### 13. AUDITORS' REMUNERATION

	June 30, 2021			Total
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	
	----- (Rupees in '000) -----			
Annual audit fee	-	280	17	297
Half yearly review fee	57	35	-	92
Sindh sales tax	5	25	-	30
Out of pocket expenses and others	-	7	-	7
	62	347	17	426

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2020			Total
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	
	----- (Rupees in '000) -----			
Annual audit fee	142	83	-	225
Half yearly review fee	40	29	-	69
Other certifications	17	13	-	30
Sindh sales tax	10	12	-	22
Out of pocket expenses	12	12	-	24
	221	149	-	370

#### 14. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

#### 15. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

Details of transactions and balances at year end with related parties / connected persons are as follows:

**15.1 Unit Holders' Fund**

		June 30, 2021							
		(Number of units)			(Rupees in '000)				
	As at July 01, 2020	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2021	
<b>Alhamra Islamic Active Allocation Plan - I</b>									
<b>Group / associated companies</b>									
MCB Employees' Pension Fund *	616,472	35,831	652,303	-	55,666	-	55,666	-	
<b>Alhamra Islamic Active Allocation Plan - II</b>									
<b>Group / associated companies</b>									
MCB Employees' Pension Fund *	825,997	-	825,997	-	78,990	-	78,990	-	
<b>Unit holders holding 10% or more units</b>	680,074	-	680,074	-	61,409	-	61,409	-	
<b>Alhamra Smart Portfolio</b>									
<b>Group / associated companies</b>									
MCB Arif Habib Savings and Investments Limited	-	1,200,000	-	1,200,000	-	120,000	-	119,853	
		(Number of units)			(Rupees in '000)				
	As at July 01, 2019	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2020	
<b>Alhamra Islamic Active Allocation Plan - I</b>									
<b>Group / associated companies</b>									
MCB Employees' Pension Fund *	586,520	29,952	-	616,472	52,317	2,706	-	55,666	
<b>Alhamra Islamic Active Allocation Plan - II</b>									
<b>Group / associated companies</b>									
MCB Employees' Pension Fund *	752,862	73,135	-	825,997	70,671	6,997	-	78,990	
<b>Unit holders holding 10% or more units</b>	651,782	28,292	-	680,074	58,138	2,556	-	61,409	

\* These persons are also related party due to holding of more than 10% units of net assets of the Fund .

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**15.2 Transactions during the year:**

	June 30, 2021			Total
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	
----- (Rupees in '000) -----				
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>				
Remuneration of the Management Company	34	37	3	74
Sindh sales tax on remuneration of the Management Company	4	5	-	10
Allocated expenses	148	143	7	298
<b>Digital Custodian Company Limited - Trustee</b>				
Remuneration of the Trustee	137	238	14	388
Sindh sales tax on remuneration of the Trustee	18	31	2	51
<b>Alhamra Islamic Stock Fund</b>				
Purchase of 3,075,397 units, 4,028,447 units, and 2,681,101 units by the Fund	31,000	41,000	30,707	102,707
Sale of 3,075,397 units, 4,028,477 units, and 0 units by the Fund	33,153	45,078	-	78,231
<b>Alhamra Islamic Income Fund</b>				
Purchase of 315,918 units, 424,082 units and 890,625 units by the Fund	33,153	-	90,728	123,881
Sale of 3,483,764 units, 2,054,711 units and 0 units by the Fund	364,441	218,541	-	582,983
<b>MCB Bank Limited</b>				
Bank charges	5	3	-	8
----- (Rupees in '000) -----				
June 30, 2020				
----- (Rupees in '000) -----				
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>				
Remuneration of the Management Company	183	104	-	287
Sindh sales tax on remuneration of the Management Company	24	13	-	37
Allocated expenses	436	324	-	760
<b>MCB Financial Services Limited - Trustee</b>				
Remuneration of the Trustee	393	330	-	723
Sindh sales tax on remuneration of the Trustee	51	43	-	94
<b>Alhamra Islamic Stock Fund</b>				
Purchase of 19,136,675 units and 5,202,563 units by the Fund	194,000	51,000	-	245,000
Sale of 64,480,019 units and 47,532,368 units by the Fund	580,934	421,475	-	1,002,409
<b>Alhamra Islamic Income Fund</b>				
Purchase of 5,762,005 units and 3,323,034 units by the Fund	595,561	344,157	-	939,718
Sale of 4,742,102 units and 5,024,350 units by the Fund	504,000	528,000	-	1,032,000
<b>MCB Bank Limited</b>				
Bank charges	3	8	-	11

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**15.3 Balances outstanding at year end:**

	June 30, 2021			
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
	----- (Rupees in '000) -----			
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>				
Management remuneration payable	-	-	3	3
Sindh sales tax payable on Management Company remuneration	-	-	-	-
Payable against allocated expenses	-	-	7	7
<b>Digital Custodian Company Limited - Trustee</b>				
Trustee remuneration payable	-	-	14	14
Sindh sales tax payable on Trustee remuneration	-	-	2	2
<b>MCB Bank Limited - Group / associated company</b>				
Balances with bank - current account	6,146	14,126	10	20,282
<b>Alhamra Islamic Income Fund</b>				
Outstanding 890,625 units (investments made by the Fund)	-	-	90,809	90,809
<b>Alhamra Islamic Stock Fund</b>				
Outstanding 2,681,101 units (investments made by the Fund)	-	-	30,270	30,270
<b>June 30, 2020</b>				
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----				
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>				
Management remuneration payable	10	5	-	15
Sindh sales tax payable on Management Company remuneration	1	1	-	2
Payable against allocated expenses	29	15	-	44
<b>MCB Financial Services Limited - Trustee</b>				
Trustee remuneration payable	25	22	-	47
Sindh sales tax payable on Trustee remuneration	3	3	-	6
<b>MCB Bank Limited - Group / associated company</b>				
Balances with bank - current account	3,024	3,492	-	6,516
<b>Alhamra Islamic Income Fund</b>				
Outstanding 3,167,846 and 1,630,629 units (investments made by the Fund)	322,630	166,072	-	488,702

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 16. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund primarily invests in Sharia compliant Islamic schemes of the Management Company and Sharia compliant Islamic schemes of other asset management companies subject to the prior approval of the Commission and the Sharia Advisor, Islamic Bank and Islamic banking windows of conventional bank account.

### 16.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the NBFC Regulations, The NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### 16.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions were carried out in Pak Rupees.

#### 16.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

##### a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs.0 (2020: Rs.0.161 million), Rs.0 (2020: Rs.0.080 million) and Rs.0.020 million (2020: Rs.0) for Plan I and II respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

##### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instruments that may expose the Fund to any material profit rate risk.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Yield rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

### Alhamra Islamic Active Allocation Fund Plan I

Particulars	As at June 30, 2021					Total
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	
		Upto three months	More than three months and up to one year	More than one year		

% ----- (Rupees in '000) -----

#### On-balance sheet financial instruments

##### Financial assets

Bank balances	6.60% - 6.80%	-	-	-	6,146	6,146
Investments		-	-	-	-	-
Profit receivable		-	-	-	-	-
Advance, deposits and other receivables		-	-	-	-	-
<b>Sub total</b>		-	-	-	6,146	6,146

##### Financial liabilities

Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	5,159	5,159
<b>Sub total</b>		-	-	-	5,159	5,159

#### On-balance sheet gap

		-	-	-	986	986
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### Alhamra Islamic Active Allocation Fund Plan II

Particulars	As at June 30, 2021					Total
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	
		Upto three months	More than three months and up to one year	More than one year		

% ----- (Rupees in '000) -----

#### On-balance sheet financial instruments

##### Financial assets

Bank balances	6.60% - 6.80%	-	-	-	14,126	14,126
Investments		-	-	-	-	-
Profit receivable		-	-	-	-	-
<b>Sub total</b>		-	-	-	14,126	14,126

##### Financial liabilities

Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	14,126	14,126
<b>Sub Total</b>		-	-	-	14,126	14,126

#### On-balance sheet gap

		-	-	-	1	1
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

Alhamra Smart Portfolio						
As at June 30, 2021						
Particulars	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees in '000) -----				
<b>Financial assets</b>						
Bank balances	6.60%	10	-	-	2,020	2,031
Investments		-	-	-	121,079	121,079
Profit receivable		-	-	-	30	30
		<b>10</b>	<b>-</b>	<b>-</b>	<b>123,129</b>	<b>123,140</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	10	10
Payable to the Trustee		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	54	54
<b>Sub Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>64</b>	<b>64</b>
<b>On-balance sheet gap</b>		<b>10</b>	<b>-</b>	<b>-</b>	<b>123,066</b>	<b>123,077</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Alhamra Islamic Active Allocation Fund Plan I**

Particulars	As at June 30, 2020					Total
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	
		Upto three months	More than three months and up to	More than one year		
%	(Rupees in '000)					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	7.25% - 7.5%	16,142	-	-	3,024	19,166
Investments		-	-	-	322,630	322,630
Profit receivable		-	-	-	95	95
Advance, deposits and other receivables		-	-	-	60	60
<b>Sub total</b>		<b>16,142</b>	<b>-</b>	<b>-</b>	<b>325,809</b>	<b>341,951</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	39	39
Payable to the Trustee		-	-	-	25	25
Accrued expenses and other liabilities		-	-	-	218	218
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>282</b>	<b>282</b>
<b>On-balance sheet gap</b>		<b>16,142</b>	<b>-</b>	<b>-</b>	<b>325,527</b>	<b>341,668</b>

**Alhamra Islamic Active Allocation Fund Plan II**

Particulars	As at June 30, 2020					Total
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	
		Upto three months	More than three months and up to	More than one year		
%	(Rupees in '000)					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	7.25% - 7.5%	7,952	-	-	3,492	11,444
Investments		-	-	-	166,072	166,072
Profit receivable		-	-	-	46	46
<b>Sub total</b>		<b>7,952</b>	<b>-</b>	<b>-</b>	<b>169,610</b>	<b>177,562</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	20	20
Payable to the Trustee		-	-	-	22	22
Accrued expenses and other liabilities		-	-	-	151	151
<b>Sub Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>193</b>	<b>193</b>
<b>On-balance sheet gap</b>		<b>7,952</b>	<b>-</b>	<b>-</b>	<b>169,418</b>	<b>177,370</b>

**16.1.3 Price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A reasonably possible change of 5% increase or decrease in fair values at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs.Nil million (2020: Rs.16.132 million), Rs. Nil million (2020: Rs.8.304 million), and Rs. 6.054 million (2020: Rs. Nil million) for Plan I,II and Smart Portfolio respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 16.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2021 and June 30, 2020 is the carrying amounts of following financial assets.

	June 30, 2021					
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II		Alhamra Smart Portfolio	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees in '000) -----						
Bank balances	6,146	6,146	14,126	14,126	2,031	2,031
Investments	-	-	-	-	121,079	121,079
Profit receivable	-	-	-	-	30	30
Advance, deposits and other receivables	-	-	-	-	-	-
	<b>6,146</b>	<b>6,146</b>	<b>14,126</b>	<b>14,126</b>	<b>123,140</b>	<b>123,140</b>

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	June 30, 2020					
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II		Alhamra Smart Portfolio	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees in '000) -----						
Bank balances	19,166	19,166	11,444	11,444	-	-
Investments	322,630	322,630	166,072	166,072	-	-
Profit receivable	95	95	46	46	-	-
Advance, deposits and other receivables	60	60	-	-	-	-
	<b>341,951</b>	<b>341,951</b>	<b>177,562</b>	<b>177,562</b>	<b>-</b>	<b>-</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Balances by rating category

The Fund held bank balances and investments at June 30, 2021 with banks having following credit ratings:

Rating	June 30, 2021					
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II		Alhamra Smart Portfolio	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
<b>Balances with banks</b>						
AAA	6,146	100.00%	14,055	5.31%	10	5.31%
AA	-	0.00%	-	-	2,020	-
A+	-	0.00%	-	94.69%	-	94.69%
	<b>6,146</b>	<b>100.00%</b>	<b>14,055</b>	<b>100.00%</b>	<b>2,031</b>	<b>100.00%</b>

### Investment - Units of open-end mutual funds

AA-(F)	-	100.00%	-	100.00%	-	100.00%
--------	---	---------	---	---------	---	---------

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

The Fund held bank balances and investments at June 30, 2020 with banks having following credit ratings:

Rating	June 30, 2020					
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II		Alhamra Smart Portfolio	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
<b>Balances with banks</b>						
AAA	3,024	15.78%	3,492	5.31%	-	0.00%
AA+	14,946	77.98%	-	0.00%	-	0.00%
A+	1,196	6.24%	7,952	94.69%	-	0.00%
	<b>19,166</b>	<b>100.00%</b>	<b>11,444</b>	<b>100.00%</b>	<b>-</b>	<b>0.00%</b>

### Investment - Units of open-end mutual funds

AA-(F)	322,630	100.00%	166,072	100.00%	-	0.00%
--------	---------	---------	---------	---------	---	-------

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

### 16.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not availed any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

<b>Alhamra Islamic Active Allocation Fund Plan I</b>				
<b>As at June 30, 2021</b>				
<b>Particulars</b>	<b>Upto three months</b>	<b>More than three months and upto one year</b>	<b>More than one year</b>	<b>Total</b>
----- (Rupees in '000) -----				
<b>Liabilities</b>				
Payable to the Management Company	-	-	-	-
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	5,159	-	-	5,159
	<u>5,159</u>	<u>-</u>	<u>-</u>	<u>5,159</u>

<b>Alhamra Islamic Active Allocation Fund Plan II</b>				
<b>As at June 30, 2021</b>				
<b>Particulars</b>	<b>Upto three months</b>	<b>More than three months and upto one year</b>	<b>More than one year</b>	<b>Total</b>
----- (Rupees in '000) -----				
<b>Liabilities</b>				
Payable to the Management Company	-	-	-	-
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	14,126	-	-	14,126
	<u>14,126</u>	<u>-</u>	<u>-</u>	<u>14,126</u>

<b>Alhamra Smart Portfolio</b>				
<b>As at June 30, 2021</b>				
<b>Particulars</b>	<b>Upto three months</b>	<b>More than three months and upto one year</b>	<b>More than one year</b>	<b>Total</b>
----- (Rupees in '000) -----				
<b>Liabilities</b>				
Payable to the Management Company	10	-	-	10
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	54	-	-	54
	<u>64</u>	<u>-</u>	<u>-</u>	<u>64</u>

<b>Alhamra Islamic Active Allocation Fund Plan I</b>				
<b>As at June 30, 2020</b>				
<b>Particulars</b>	<b>Upto three months</b>	<b>More than three months and upto one year</b>	<b>More than one year</b>	<b>Total</b>
----- (Rupees in '000) -----				
<b>Liabilities</b>				
Payable to the Management Company	39	-	-	39
Payable to the Trustee	25	-	-	25
Accrued expenses and other liabilities	218	-	-	218
	<u>282</u>	<u>-</u>	<u>-</u>	<u>282</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Alhamra Islamic Active Allocation Fund Plan II**

Particulars	As at June 30, 2020			
	Upto three months	More than three months and upto one year	More than one year	Total
----- (Rupees in '000) -----				
<b>Liabilities</b>				
Payable to the Management Company	20	-	-	20
Payable to the Trustee	22	-	-	22
Accrued expenses and other liabilities	151	-	-	151
	193	-	-	193

**16.4 Financial instruments by category**

**Alhamra Islamic Active Allocation Fund Plan I**

Particulars	As at June 30, 2021			
	At Fair value through OCI	At fair value through profit or loss	Amortised cost	Total
----- (Rupees in '000) -----				
<b>Financial assets</b>				
Bank balances	-	-	6,146	6,146
Investments	-	-	-	-
Profit receivable	-	-	-	-
Advance, deposits and other receivables	-	-	-	-
	-	-	6,146	6,146

Particulars	As at June 30, 2021			
	At fair value through profit or loss	Amortised cost	Total	
----- (Rupees in '000) -----				
<b>Financial liabilities</b>				
Payable to the Management Company	-	-	-	-
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	-	5,159	5,159	5,159
	-	5,159	5,159	5,159

**Alhamra Islamic Active Allocation Fund Plan II**

Particulars	As at June 30, 2021			
	At Fair value through OCI	At fair value through profit or loss	Amortised cost	Total
----- (Rupees in '000) -----				
<b>Financial assets</b>				
Bank balances	-	-	14,126	14,126
Investments	-	-	-	-
Profit receivable	-	-	-	-
	-	-	14,126	14,126

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

Particulars	As at June 30, 2021		
	At fair value through profit or loss	Amortised cost	Total

----- (Rupees in '000) -----

**Financial liabilities**

Payable to the Management Company	-	-	-
Payable to the Trustee	-	-	-
Accrued expenses and other liabilities	-	14,126	14,126
	-	14,126	14,126

**Alhamra Smart Portfolio**

Particulars	As at June 30, 2021			
	At Fair value through OCI	At fair value through profit or loss	Amortised cost	Total

----- (Rupees in '000) -----

**Financial assets**

Bank balances	-	-	2,030	2,030
Investments	-	-	121,079	121,079
Profit receivable	-	-	30	30
	-	-	123,139	123,139

Particulars	As at June 30, 2021		
	At fair value through profit or loss	Amortised cost	Total

----- (Rupees in '000) -----

**Financial liabilities**

Payable to the Management Company	-	10	10
Payable to the Trustee	-	-	-
Accrued expenses and other liabilities	-	54	54
	-	64	64

**Alhamra Islamic Active Allocation Fund Plan I**

Particulars	As at June 30, 2020			
	At Fair value through OCI	At fair value through profit or loss	Amortised cost	Total

----- (Rupees in '000) -----

**Financial assets**

Bank balances	-	-	19,166	19,166
Investments	-	322,630	-	322,630
Profit receivable	-	-	95	95
Advances, deposits and Other receivable	-	-	60	60
	-	322,630	19,321	341,951

Particulars	As at June 30, 2020		
	At fair value through profit or loss	Amortised cost	Total

----- (Rupees in '000) -----

**Financial liabilities**

Payable to the Management Company	-	39	39
Payable to the Trustee	-	25	25
Accrued expenses and other liabilities	-	218	218
	-	282	282

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Alhamra Islamic Active Allocation Fund Plan II**

Particulars	As at June 30, 2020			
	At Fair value through OCI	At fair value through profit or	Amortised cost	Total
----- (Rupees in '000) -----				
<b>Financial assets</b>				
Bank balances	-	-	11,444	11,444
Investments	-	166,072	-	166,072
Profit receivable	-	-	46	46
	-	166,072	11,490	177,562

Particulars	As at June 30, 2020		
	At fair value through profit or loss	Amortised cost	Total
----- (Rupees in '000) -----			
<b>Financial liabilities</b>			
Payable to the Management Company	-	20	20
Payable to the Trustee	-	22	22
Accrued expenses and other liabilities	-	151	151
	-	193	193

**17. Unit holders' fund risk management**

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

In accordance with the risk management policies as stated above, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

**18. FAIR VALUE OF FINANCIAL INSTRUMENTS**

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

**Level 1:** quoted prices in active markets for identical assets or liabilities;

**Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

**Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2021 and June 30, 2020, the Fund held the following instruments measured at fair values:

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Alhamra Islamic Active Allocation Plan - I</b>				
At fair value through profit or loss	-	-	-	-
<b>Alhamra Islamic Active Allocation Plan - II</b>				
At fair value through profit or loss	-	-	-	-
<b>Alhamra Smart Portfolio</b>				
At fair value through profit or loss	-	121,079	-	121,079
	-	121,079	-	121,079
	June 30, 2020			
	(Rupees in '000)			
<b>Alhamra Islamic Active Allocation Plan - I</b>				
At fair value through profit or loss	-	322,630	-	322,630
<b>Alhamra Islamic Active Allocation Plan - II</b>				
At fair value through profit or loss	-	166,072	-	166,072
	-	488,702	-	488,702

**18.1** Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the MUFAP as at the close of the business days.

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 19. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Muhammad Saqib Saleem	Chief Executive Officer	22.5	FCA & FCCA
2	Muhammad Asim	Chief Investment Officer	17	MBA & CFA
3	Awais Abdul Sattar	Head of Research	11	MBA & CFA
4	Jawad Naeem	Head of Islamic Equity	12	MBA & CFA
5	Saad Ahmed	Head Of Fixed Income	16	MBA
6	Muhammad Aitazaz Farooqui	Senior Analyst	13	MBA & CFA
7	Syed Abid Ali	Head Of Equity	13	MBA
8	Syed Mohammad Usama Iqbal	Fund Manager	17	B.Com

### 20. PATTERN OF UNIT HOLDING

#### Plan-I

Category	As at June 30, 2021			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
	(Rupees in '000)			
Individuals	-	-	-	0.00%
Associated companies	-	-	-	0.00%
Retirement funds	-	-	-	0.00%
Others	-	-	-	0.00%
	-	-	-	0.00%

#### Plan-II

Category	As at June 30, 2021			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
	(Rupees in '000)			
Individuals	-	-	-	0.00%
Associated companies	-	-	-	0.00%
Others	-	-	-	0.00%
	-	-	-	0.00%

#### Alhamra Smart Portfolio

Category	As at June 30, 2021			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
	(Rupees in '000)			
Individuals	1	32,102	3,206	2.61%
Associated companies	1	1,200,000	119,853	97.39%
Retirement funds	-	-	-	0.00%
Others	-	-	-	0.00%
	<b>2</b>	<b>1,232,102</b>	<b>123,059</b>	<b>100.00%</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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### 22. TOTAL EXPENSE RATIO

Total Expense Ratio of the Alhamra Smart Portfolio is 0.04% as on June 30, 2021 and these include 0.00% representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee respectively.

### 23. IMPACT OF COVID-19

A novel strain of coronavirus (COVID-19) was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide and in Pakistan, resulting in an economic slowdown. During the lockdown that lasted from March to May 2020, the funds continued their activity, as the Pakistan Stock Exchange and the money markets continued trading. Management Company is of the view that while COVID-19 and its resulting containment measures have affected the economy, investors' confidence and adequate steps from the government and regulators have spearheaded recovery and subsequent events reflect that in due course, things would be normalised.

### 24. GENERAL

Figure have been rounded off to the nearest thousand rupees unless otherwise specified.

### 25. DATE OF AUTHORISATION FOR ISSUE

These Financial Statements were authorized for issue by the Board of Directors of the Management Company on August 09, 2021 and further amended on September 15, 2021 to incorporate the subsequent event as disclosed in note 11.1 to these financial statements.

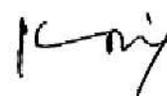
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNITS HOLDING BY SIZE  
FOR THE YEAR ENDED JUNE 30, 2021**

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No. of Unit Holders	Unit Holdings	Total Units Held
2	0 - 1,000,001+	1,232,103
<u>2</u>		<u>1,232,103</u>

## PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2021

### Alhamra Islamic Active Allocation Plan-I

Performance Information	2021	2020	2019	2018	2017
Total Net Assets Value – Rs. in million	N/A	341	627.332	1,404	1,584
Net Assets value per unit – Rupees	N/A	90.2980	89.1993	93.172	100.0163
Closing Offer Price	N/A	N/A	N/A	96.3305	103.4069
Closing Repurchase Price	N/A	N/A	N/A	93.1720	100.0163
Highest offer price per unit	N/A	N/A	N/A	N/A	106.2503
Lowest offer price per unit	N/A	N/A	N/A	N/A	100
Highest Redemption price per unit	N/A	N/A	N/A	100.8834	103.0089
Lowest Redemption price per unit	N/A	N/A	N/A	89.4505	97.0831
Distribution per unit – Rs. *	5.1356	4.6138	-	-	0.80
<b>Average Annual Return - %</b>					
One year (Inception Date 29-Dec-16)	N/A	6.40	(4.26)	(6.84)	0.81
Two year	N/A	1.07	(5.55)	(3.02)	N/A
Three year	N/A	(1.57)	(3.43)	N/A	N/A
Net (Loss) / Income for the period – Rs. in million	10.400	24.7670	(25.01)	(107.16)	12.93
Distribution made during the year – Rs. in million	9.646	16.7194	N/A	-	12.67
Accumulated Capital Growth – Rs. in million	0.7540	8.0476	(25.01)	(107.16)	0.26

\* Date of Distribution

2017	
Date	Rate
June 30, 2017	0.800

2020	
Date	Rate
June 30, 2020	4.6138
December 24, 2020	5.1356

#### Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

**PERFORMANCE TABLE  
FOR THE YEAR ENDED JUNE 30, 2021**

**Alhamra Islamic Active Allocation Plan-II**

Performance Information	2021	2020	2019	2018	2017
Total Net Assets Value – Rs. in million	N/A	176.563	707.971	794	87.97
Net Assets value per unit – Rupees	N/A	95.6301	93.8703	99.5728	100.0057
Closing Offer Price	N/A	N/A	N/A	102.9483	103.3959
Closing Repurchase Price	N/A	N/A	N/A	99.5728	100.0057
Highest offer price per unit	N/A	N/A	N/A	108.2673	103.6315
Lowest offer price per unit	N/A	N/A	N/A	100.4237	100
Highest Redemption price per unit	N/A	N/A	N/A	104.7174	100.2336
Lowest Redemption price per unit	N/A	N/A	N/A	97.1310	97.0282
Distribution per unit – Rs. *	7.1598	9.2940	-	-	0.18
<b>Average Annual Return - %</b>					
One year (Inception Date 16-Jun-17)	N/A	11.77	(5.54)	(0.43)	0.19
Two year	N/A	3.12	(2.99)	(0.12)	N/A
Three year	N/A	1.93	(1.93)	N/A	N/A
Net (loss) / Income for the period – Rs. in million	10.657	26.9059	(42.15)	8.46	0.16
Distribution made during the year – Rs. in million	7.806	15.8552	-	-	0.15
Accumulated Capital Growth – Rs. in million	2.8510	11.0507	(42.15)	8.46	0.01

\* Date of Distribution

2017	
Date	Rate
June 30, 2017	0.18

2020	
Date	Rate
June 30, 2020	9.294

2021	
Date	Rate
June 15, 2021	7.1598

**Disclaimer**

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

**PERFORMANCE TABLE  
FOR THE YEAR ENDED JUNE 30, 2021**

**Alhamra Smart Portfolio**

Performance Information	2021
Total Net Assets Value – Rs. in million	123.059
Net Assets value per unit – Rupees	99.8771
Closing Offer Price	103.2629
Closing Repurchase Price	99.8771
Highest offer price per unit	103.8610
Lowest offer price per unit	100
Highest Redemption price per unit	100.4556
Lowest Redemption price per unit	99.6280
Distribution per unit – Rs. *	N/A
<b>Average Annual Return - %</b>	
One year (Inception Date 11-Jun-17)	-0.12
Two year	
Three year	
Net (loss) / Income for the period – Rs. in million	(141.16)
Distribution made during the year – Rs. in million	0
Accumulated Capital Growth – Rs. in million	

**Disclaimer**

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

**MCB-Arif Habib Savings and Investments Limited**

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